



Daily Report

China

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Daily Report

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General

Foreign Ministry Holds Weekly News Briefing

On Mitterrand-Dalai Lama Talks

OW2511084093 Beijing XINHUA in English 0819
GMT 25 Nov 93

[Text] Beijing, November 25 (XINHUA)—The French leader's recent meeting with the Dalai Lama constituted an interference into China's internal affairs, a Chinese Foreign Ministry spokeswoman said here today.

In response to a request, at the weekly press conference, for comment on French President Francois Mitterrand's meeting with the Dalai Lama, spokeswoman Fan Huijuan said that the Chinese side had already made representations and launched a protest to the French side on this matter.

She said that the Dalai Lama, who is living outside China, has long been engaged in activities aimed at splitting the country and undermining the national unity.

Views Taiwan's China Policy

OW2511122793 Beijing XINHUA Domestic Service in Chinese 1017 GMT 25 Nov 93

[Text] Beijing, 25 Nov (XINHUA)—Making a comment in response to a reporter's question today concerning a proposal recently made by a Taiwan "official" for the first time for a "policy of a step-by-step approach to two Chinas [jie duan xing liang ge zhong guo zheng ce 7132 3008 1840 0357 0020 0022 0948 2398 4595]," Foreign Ministry spokeswoman Fan Huijuan reiterated the Chinese Government's position on the Taiwan question.

She said: There is only one China in the world, the People's Republic of China, and Taiwan is an inalienable part of China. This fact has long been recognized by the United Nations and the international community.

She pointed out: Anyone preaching "two Chinas" or "one China, one Taiwan" will be firmly opposed and spurned by the entire Chinese people, including those in Taiwan, and thus become a person condemned by the nation.

Cites Taiwan Role in APEC

OW2511095893 Beijing XINHUA in English 0948
GMT 25 Nov 93

[Text] Beijing, November 25 (XINHUA)—Chinese Foreign Ministry spokeswoman Fan Huijuan reiterated here this afternoon that there is only one China in the world, that is the People's Republic of China, and Taiwan is an inalienable part of China.

"This fact has long been recognized by the United Nations and the international community," she said.

She said this at a weekly press conference while answering a question concerning a proposal recently made by a Taiwan official for a policy of step by step approach to two Chinas.

"Anyone preaching 'two Chinas' or 'one China, one Taiwan' will be firmly opposed by the entire Chinese people, including those in Taiwan," Fan said.

When questioned as officials from both the mainland and Taiwan attended the APEC [Asia-Pacific Economic Cooperation] informal leadership meeting, whether this would serve as a model for activities for other international organizations, she said that Taiwan attended the APEC meeting as a regional economy, and it is a province of China.

"We are making constant efforts to realize the peaceful reunification of the motherland," she said. "The two sides across the Taiwan Straits should conduct negotiation with the precondition of recognizing only one China."

APEC Summit 'Positive'

OW2511101793 Beijing XINHUA in English 0952
GMT 25 Nov 93

[Text] Beijing, November 25 (XINHUA)—The just concluded informal leadership meeting of Asia-Pacific Economic Cooperation (APEC) is of positive significance to promoting China's understanding and cooperation with other APEC members, a Foreign Ministry spokeswoman said here this afternoon.

Chinese President Jiang Zemin attended the informal leadership meeting at Seattle, and made an important speech at the conference on the economic prospects of the region in the next century, the spokeswoman said at a weekly press conference this afternoon, when asked about China's achievements in attending the meeting.

The meeting issued an economic vision statement of the APEC leaders, which was the result of discussions and consultations by all the parties, including China, she said.

Also, President Jiang Zemin held bilateral meetings with almost all the leaders attending the conference, she said. "This is of positive significance to promoting China's understanding and cooperation with other members of APEC, to sustaining peace, stability and prosperity in the region and to working together to meet the challenges in the 21st century."

The Seattle Informal leadership meeting was the first such conference, since the establishment of APEC, she added.

On London's Summon of Envoy

*HK2511094393 Hong Kong AFP in English 0937 GMT
25 Nov 93*

[Text] Beijing, Nov 25 (AFP)—China dismissed Thursday [25 November] British Foreign Secretary Douglas Hurd's emergency summons of Beijing's ambassador to London as "just natural."

Hurd summoned Ma Yuzhen Tuesday evening to impress upon him the seriousness of time constraints for reaching a consensus in Sino-British talks on arrangements for the last elections in Hong Kong before the British colony reverts to China in 1997. He told Ma that progress in last week's 16th round of talks was "disappointing."

"The Chinese side and the British side often contact each other through diplomatic channels, so it is just natural," Foreign Ministry spokeswoman Fan Huijian told a weekly news briefing when asked if Beijing regarded Hurd's message as an ultimatum.

The two sides have made little headway since beginning their negotiations in April to try to settle a dispute sparked in October 1992 by Hong Kong Governor Chris Patten's proposals to broaden the franchise in 1994 district board and 1995 legislative polls.

Patten has repeatedly warned the Chinese that time is running out for the talks, given the need to put arrangements in place ahead of the elections. He has warned he will eventually have to table an electoral bill in Hong Kong's Legislative Council, with or without an agreement with Beijing, and is expected to make a decision on proceeding unilaterally in early December.

British and Chinese negotiators are to meet here Friday and Saturday for their 17th round of talks.

Fan said that the "early conclusion (of the talks) will require efforts from both sides." Any act or remark that are not conducive to the talks will be unacceptable to the Chinese side," she said.

On UK Remarks on Hong Kong

*HK2611074293 Beijing CHINA DAILY in English
26 Nov 93 p 1*

[By staff reporter He Jun: "Unhelpful Remarks on HK Chided"]

[Text] Remarks or acts that are not conducive to the ongoing Sino-British talks on the Hong Kong issue will be considered unacceptable, a spokeswoman for the Chinese Foreign Ministry said yesterday in Beijing.

Commenting on the recent process of the talks, spokeswoman Fan Huijuan seemed to be referring to recent remarks by Hong Kong's British governor Chris Patten, who reportedly threatened to end the talks if progress isn't made soon.

Any early progress requires efforts by both sides, she said, underscoring China's sincerity.

The 17th round of talks on the 1994/1995 election in Hong Kong, which started this April, will be held through today and tomorrow.

At the weekly news briefing, the spokeswoman said that China's early re-entry into the General Agreement on Tariffs and Trade (GATT), now in the final stages, is not only conducive to China's reform and opening up to the outside world, but helpful in strengthening GATT's multilateral trade system.

Commenting on the current Uruguay Round of GATT Talks, Fan said that agreeing on a package by the December 15 deadline depends on the political will of the participating parties, especially the major western trade countries.

Discusses Uruguay Round

*OW2511093693 Beijing XINHUA in English 0915
GMT 25 Nov 93*

[Text] Beijing, November 25 (XINHUA)—The deadline-beating success of the Uruguay Round of GATT talks depends, to a great extent, on the political preferences of the participating parties, especially major trading powers of the West, said a Chinese Foreign Ministry spokeswoman Fan Huijuan here today.

She made the remarks at a weekly press briefing here this afternoon when answering a question.

She said that there has been some progress in the talks, with preliminary agreements reached on establishing a multilateral trade organization and on the mechanism for settling disputes.

However, Fan said, serious differences still exist among major countries concerning such problems as agriculture products.

"It is a pressing problem as to how to make a breakthrough and reach a comprehensive and balanced agreement within the time limit," she said. "We hope that the Uruguay Round of talks may end successfully and as scheduled so as to safeguard and strengthen an open and multilateral world trade system."

"If the talks should end in failure, without reaching any agreement as scheduled, it would make all countries concerned lose their confidence in the establishment of a multilateral world trade system," Fan added, "and that is what we would not like to see."

She said that the restoration of China's status as a signatory party would not only be beneficial to the further implementation of China's reform and open policy but also have a positive impact on the birth of a multilateral trade system of the GATT.

"Now that the restoration of China's status as a signatory party to the GATT is at its final stage," Fan said, "we

hope that the talks on the protocol would be completed at an earliest possible date."

Cubans, Bulgarians To Visit

OW2511091693 Beijing XINHUA in English 0845
GMT 25 Nov 93

[Text] Beijing, November 25 (XINHUA)—Ricardo Alarcon de Quesada, president of the National Assembly of People's Power of Cuba, will pay a goodwill visit to China from November 30 to December 6, at the invitation of the Standing Committee of China's National People's Congress (NPC).

A Chinese Foreign Ministry spokeswoman made the announcement at today's weekly press conference.

She also announced that a Bulgarian parliamentary delegation headed by Chairman of the National Assembly Aleksander Yordanov will pay a goodwill visit to China from November 29 to December 5, at the invitation of the NPC Standing Committee.

Lao Prime Minister To Visit

OW2511090193 Beijing XINHUA in English 0831
GMT 25 Nov 93

[Text] Beijing, November 25 (XINHUA)—Khamtai Siphandon, chairman of the Central Committee of the Lao People's Revolutionary Party and prime minister of the Lao People's Democratic Republic, will pay an official goodwill visit to China from December 3 to 7, a Foreign Ministry spokeswoman announced here today.

The Lao leader is invited by Chinese Premier Li Peng, the spokeswoman told a weekly press conference this afternoon.

Pakistan's Bhutto To Visit

OW2411135593 Beijing XINHUA in English 1301
GMT 24 Nov 93

[Text] Islamabad, November 24 (XINHUA)—Pakistan Prime Minister Benazir Bhutto has accepted the invitation to visit China in the last week of December this year, a Foreign Office spokesman announced here today.

Talking to newsmen at the weekly press briefing, the spokesman said Benazir will also visit Iran and Turkey separately from December 8 to 10 and from 10 to 12 this year.

Northeast Asia

Beijing Leaders Host Japanese Trade Delegation

Li Lanqing Meets Delegates

OW2411132693 Beijing XINHUA in English 1221
GMT 24 Nov 93

[Text] Beijing, November 24 (XINHUA)—Chinese Vice-Premier Li Lanqing met with and hosted a banquet

in honor of Yoshio Sakurauchi, former speaker of the House of Representatives and president of the Association for the Promotion of International Trade of Japan, and his party here today.

During their cordial talks, Li briefed the guests on China's reform of finance and taxation system.

Sakurauchi, head of the 70-member delegation, arrived here today at the invitation of the China Council for the Promotion of International Trade.

Wan Li Meets Delegates

OW2511133893 Beijing XINHUA in English 1143
GMT 25 Nov 93

[Text] Beijing, November 25 (XINHUA)—Wan Li, former chairman of the National People's Congress (NPC) Standing Committee, today met with Yoshio Sakurauchi, former speaker of the House of Representatives and president of Japan's Association for the Promotion of International Trade.

During talks in the Diaoyutai state guesthouse, Wan and Sakurauchi exchanged views on the recent development of Sino-Japanese bilateral trade and economic cooperation and on some international issues of common concern.

Sakurauchi and his 70-member entourage arrived here yesterday as guests of the China Council for the Promotion of International Trade.

Li Peng Urges Japan To Import Rice

OW2511125393 Tokyo KYODO in English 1230 GMT
25 Nov 93

[Text] Beijing, Nov. 25 KYODO—Premier Li Peng urged Japan on Thursday [25 November] to import Chinese rice in large quantities to make up for its shortage resulting from this year's poor harvest, Japanese officials said.

The officials said Li made the appeal in a meeting with a Japanese trade mission led by former Foreign Minister Yoshio Sakurauchi.

Li told the delegation Chinese rice reaped in the country's northeastern region suits the Japanese taste, they said.

Japan is carrying out emergency imports of rice from various countries, including the United States, Thailand and China, and is negotiating with Beijing on the volume and species to be shipped.

The Japanese delegation represents an association that promotes trade between Japan and China.

Li Peng Discusses Reforms*OW2511135893 Beijing XINHUA in English 1324
GMT 25 Nov 93*

[Text] Beijing, November 25 (XINHUA)—Premier Li Peng today called on Japanese businessmen to probe new ways to expand Sino-Japanese trade and economic ties in the light of existing bilateral relations and the overall world trade situation.

Li made the remark at an hour-long meeting with a delegation from the Japanese Association for the Promotion of International Trade (APIT) led by Yoshio Sakurauchi, president of the association and former speaker of the Japanese House of Representatives.

Li praised the association for its time-tested efforts to promote Sino-Japanese economic ties and deepen friendship between the two peoples.

He attributed the present level of Sino-Japanese trade and economic ties to the Japanese Government, the Diet and people from various walks of life.

Sakurauchi said that APIT has always worked hard to promote Japan-China trade and friendship between the two peoples and will continue to work for the overall development of bilateral ties.

Meanwhile, Li said that the process of China's economic reforms in the past 15 years is process of probing for the means to establish a socialist market economic system. Li said that China has accumulated rich experience in this respect.

Such a system, as the general objective of China's reform drive, will make the market play a basic role in the flow of resources under the macro-control of the state.

Li said that China will concentrate on tackling two issues: the transformation of management mechanisms in state-owned enterprises and the establishment of a modern enterprise system, and the reform of the government's functions with a view to establishing a macro-control or regulatory system over economic activities. Such control and regulation will be realized mainly by economic means, he added.

In the near future, Li said, China will take big steps in reforming the systems of finance and taxation, banking, investment and planning in order to realize effective coordination of economic operations.

He predicted that China's economy will continue to grow at a fairly high speed in 1994, while efforts will be made for a rational economic structure, better quality and benefits.

"We shall work hard to achieve sustained, fast and healthy economic development," he said.

DPRK Delegate Signs Technology Protocol*OW2511134693 Beijing XINHUA in English 1251
GMT 25 Nov 93*

[Text] Beijing, November 25 (XINHUA)—A protocol on the 33rd meeting of the commission for scientific and technological cooperation between the Governments of China and the Democratic People's Republic of Korea (DPRK) was signed here this evening.

The signing ceremony was followed by a meeting between Song Jian, Chinese state councillor and minister in charge of the State Science and Technology Commission, and Kim Yong-ho, visiting vice-chairman of the State Commission of Science and Technology of Korea, who is leading a scientific and technological delegation to China.

The protocol defines the scope of cooperation between the two governments, which includes algae cultivation, technology and trade, as well as information exchanges.

The two sides agreed that the 34th commission meeting will be held in Pyongyang next year.

Han Deqian, vice-minister of the Chinese State Science and Technology Commission, and Kim Yong-ho signed the document on behalf of their respective governments.

During the meeting, Song extended his warm congratulations on the successful convocation of the 33rd meeting in Beijing, noting new progress made in bilateral cooperation in science and technology.

Kim said the meeting shows that the friendship between the two countries has been strengthened and that bilateral cooperation and exchanges in science and technology have grown tremendously.

The Korean people sincerely hope that greater achievements will be won in China's socialist construction, especially in science and technology, Kim said.

Jilin Receives DPRK Delegation 24 Nov*SK2511073093 Changchun Jilin People's Radio
Network in Mandarin 2300 GMT 24 Nov 93*

[Text] At the invitation of the Jilin provincial party committee, a seven-member party delegation from North Hamgyong Province, the DPRK, headed by (Pak Chun-sok), responsible secretary of the WPK Committee of North Hamgyang Province, the DPRK, arrived in Changchun on 24 November to begin its 12-day friendly visit in our province.

That evening when the delegation arrived in Changchun, Comrade Wang Jinshan, deputy secretary of the provincial party committee, met with and feted all members of the delegation at Nanhu Hotel.

Comrade Wang Jinshan reviewed the unity and friendship between the two parties and the peoples of the two countries of China and the DPRK, and the friendly

exchange and cooperation between Jilin Province and North Hamgyang Province. Deputy Secretary Wang Jinshan also briefed the Korean comrades our province's situation in making continued efforts to deepen reform and opening up and to move towards the market economy.

Comrade (Pak Chun-sok), leader of the delegation, fully affirmed and acclaimed Jilin Province's achievements in reform and opening up and expressed that he would exert utmost efforts to consolidate and develop the great friendship which the Chinese and Korean peoples had cemented with blood.

Also present at the meeting were (Yin Shujie), deputy secretary general of the provincial party committee and chairman of the general office; and Liang Jichang, director of the provincial Foreign Affairs Office.

Government, ROK Sign Fiber Optic Cable Pact
OW2411140793 Beijing XINHUA in English 1329 GMT 24 Nov 93

[Text] Seoul, November 24 (XINHUA)—South Korea and China signed here today an agreement on the construction and maintenance of a fiber-optic cable linking Taean in South Korea with Qingdao in China.

Under the agreement, the construction of the cable will start in June next year and is expected to be completed in December 1995.

The cost, which is estimated to be nearly 50 million U.S. dollars, will be borne equally.

The 570-kilometer undersea cable will have a capacity of 15,120 telephone lines. It is expected to improve communications between South Korea and China upon completion.

South Korea and China currently have 284 telephone lines. Telecommunications traffic has increased greatly since the two countries established diplomatic ties in August last year.

Beijing Hosts Economic Forum for ROK Delegates

OW2411140993 Beijing XINHUA in English 1245 GMT 24 Nov 93

[Text] Beijing, November 24 (XINHUA)—More than 50 economists and government officials from China and the Republic of Korea gathered here today to discuss the economic structures in both countries.

At a two-day symposium held to celebrate the one-year anniversary of the establishment of Sino-ROK diplomatic relations, these experts will exchange ideas on government macro-economic control policies, the relationship between government and enterprises, and export-oriented trade strategies.

Sun Shangqing, head of the Economic, Technological and Social Development Research Center of the State Council

of China, expressed in the opening speech the hope that participants would draw experiences from both sides and exploit new ways for economic development conforming to national conditions.

Kim Man-chae, former ROK deputy prime minister and minister of economic planning, called for expanding Sino-ROK economic and technological cooperation and strengthening academic exchanges.

Statistics from Chinese customs showed that China and ROK achieved a trade volume of over five billion U.S. dollars last year. During the first half of this year, the figure was 3.1 billion U.S. dollars.

Near East & South Asia

Li Peng, Iranian Envoy Discuss Bilateral Ties

LD2511153293 Tehran IRNA in English 1504 GMT 25 Nov 93

[Text] Beijing, Nov. 25, IRNA—China's premier, Li Peng, in a meeting with Iranian ambassador to Beijing, Mohammad Huseyn Taromi, here Thursday expressed hope that bilateral relations will be broadened.

He appreciated the ambassador's efforts in promoting Tehran-Beijing relations.

Taromi on behalf of President 'Akbar Hashemi-Rafsanjani extended an invitation to the Chinese prime minister to visit the Islamic Republic of Iran.

Meanwhile, Taromi held talks with Chinese deputy minister of foreign affairs, Yang Fu, on issues of mutual interest.

Shenyang Officials Die in Israeli Helicopter Crash

OW2411154993 Beijing XINHUA in English 1540 GMT 24 Nov 93

[Text] Jerusalem, November 24 (XINHUA)—An Israeli civilian helicopter crashed early this morning, killing all five on board including two Chinese visitors.

The accident occurred in an hilly area above Negev Desert at about six this morning when the helicopter carrying the two Chinese visitors flew to the area some 10 kilometers west of the Dead Sea.

A spokesman for the Israeli Transport Ministry told XINHUA that among the five dead are three Israelis and two Chinese officials.

The mayor's office of the Israeli city of Ramat Gan, which was hosting the Chinese guests, told XINHUA that the two Chinese visitors are Wu Disheng, mayor of China's northeastern city of Shenyang, and senior city official Zhang Li.

The cause of the crash is under investigation.

The Shenyang Municipality delegation arrived in Israel on November 21 and planned to leave tomorrow.

CPPCC Delegation Leaves Kuwait for Yemen*OW2411142293 Beijing XINHUA in English 1352
GMT 24 Nov 93*

[Text] Kuwait City, November 24 (XINHUA)—A Chinese delegation from the National Committee of the Chinese people's Political Consultative Conference (CPPCC) today wound up a three-day official visit to Kuwait.

The head of the delegation, Seypidin Aze, who is vice-chairman of the CPPCC National Committee, told XINHUA before leaving for Sanaa, Yemen at the Kuwait International Airport that there is a wide future for the growth of Sino-Kuwaiti ties of friendship and cooperation.

"This visit, brief as it was, left a very good impression on us. I discussed with the leaders of Kuwait ways of developing cooperation between the two countries."

He said both Kuwait and China expressed eagerness to promote these ties, which are characterized by friendliness and sincere cooperation.

He pointed out that China and Kuwait can cooperate in the economic field and all other fields.

During its visit to Kuwait, the Chinese delegation met with Kuwait's Crown Prince Shaykh Sa'ad al-'Abdallah al-Sabah and National Assembly Speaker Ahmad 'Abd-al-Aziz al-Sa'adun.

Arrives in Yemen*OW2511130093 Beijing XINHUA in English 1017
GMT 25 Nov 93*

[Text] Sanaa, November 25 (XINHUA)—A delegation from the Chinese People's Political Consultative Conference (CPPCC) headed by Seypidin Aziz, vice-chairman of the CPPCC National Committee, arrived here today.

The delegation was received at the Sanaa Airport by Husayn al-Makddam [name as received], secretary general of Yemen's Consultative Council.

Seypidin Aziz said upon his arrival that the purpose of his delegation's visit here was to enhance understanding and friendship between the two countries.

The CPPCC delegation will hold talks with the officials of Yemen's Consultative Council and visit some Yemeni industrial and agricultural establishments.

Further on Arrival*OW2511161393 Beijing XINHUA in English 1406
GMT 25 Nov 93*

[Text] Sanaa, November 25 (XINHUA)—A delegation from the Chinese People's Political Consultative Conference (CPPCC) headed by Seypidin Aziz, vice-chairman of the CPPCC National Committee, arrived here today.

The delegation was received at the Sanaa Airport by Husayn al-Makddam [spelling of name as received], secretary general of Yemen's Consultative Council.

Seypidin Aziz said upon his arrival that the purpose of his delegation's visit here was to enhance understanding and friendship between the two countries.

The CPPCC delegation will hold talks with the officials of Yemen's Consultative Council and visit some Yemeni industrial and agricultural establishments.

Pakistan Spokesman—Li Ruihuan Visit 'Important'*OW2411140893 Beijing XINHUA in English 1248
GMT 24 Nov 93*

[Text] Islamabad, November 24 (XINHUA)—The coming visit by Chinese leader to Pakistan will be an important chapter in the history of Sino-Pak relations, said a Foreign Office spokesman here today.

The spokesman made the remarks while announcing the visit of Li Ruihuan, chairman of the National Committee of the Chinese People's Political Consultative Conference, to Pakistan from 4 to 9 December at the invitation of Pakistan Senate chairman Wasim Sajjad.

Li is expected to exchange views on bilateral and international issues with Pakistani leadership during the visit, he said.

The visit will also provide Li with an opportunity to be apprised of the latest situation concerning Kashmir.

The spokesman said China and Pakistan enjoy extremely cordial and friendly relations which has stood the test of time.

The visit will further strengthen friendship between the two countries, he said.

It is the resolute policy of the two countries to further develop their friendship and cooperation in all fields, he added.

Li Ruihuan, CPPCC Delegation Leave for Nepal*OW2511034293 Beijing XINHUA in English 0319
GMT 25 Nov 93*

[Text] Beijing, November 25 (XINHUA)—Li Ruihuan, chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), left here this morning by special plane on a 15-day official goodwill visit to Nepal, India and Pakistan.

Li will visit the three countries at the invitation of Beni Bahadur Karki, chairman of the National Council of Nepal, Kocheril Raman Narayanan, vice-president and chairman of the Rajya Sabha (Council of States) of India, and Wasim Sajjad, chairman of the Senate of Pakistan.

This is the first visit abroad by a CPPCC chairman since New China was founded in 1949.

Li was seen off at the Great Hall of the People by Vice-Premier Zhu Rongji, vice-chairmen of the CPPCC National Committee Wu Xueqian, Wang Zhaoguo and Qian Weichang.

Also present were diplomatic envoys of the three countries here.

Official sources said that during the visit Li is expected to extensively contact and meet with leaders of the three governments and parliaments and exchange views with them on the situation in the region and bilateral relations, as well as issues related to the enhancement of exchanges and cooperation between the CPPCC and the parliaments and organizations of the three nations.

The sources said that Li's visit is of great significance to increasing mutual understanding, deepening friendship and expanding co-operation between China and these countries, and also will play a positive role in maintaining peace and stability in Southern Asia and in the world as a whole.

The entourage travelling with Li includes six members of the CPPCC, five of them being Standing Committee members, and vice-minister of Foreign Affairs Tang Jiaxuan.

The CPPCC Standing Committee members and CPPCC member are Fang Weizhong, director of the Subcommittee of Economy, Han Xu, director of the Subcommittee of Foreign Affairs, and Zhou Wenhua, chairman of the Heilongjiang Provincial Committee of the CPPCC, Ding Shisun, vice-chairman of the China Democratic League Central Committee, Zhu Zuolin and Zheng Wantong, deputy secretaries-general of the CPPCC National Committee.

Arrive in Kathmandu

OW2511125793 Beijing XINHUA in English 1020
GMT 25 Nov 93

[Text] Kathmandu, November 25 (XINHUA)—Chairman of the 8th National Committee of Chinese People's Political Consultative Conference (CPPCC) Li Ruihuan arrived here this afternoon for a four-day official good-will visit to Nepal.

In a written statement issued at the Tribhuvan International Airport, Li said that the Chinese Government and people treasure their traditional friendship with Nepal.

The visit is aimed at enhancing the mutual understanding between the two peoples and between the Chinese People's Political Consultative Conference and the Nepalese parliament, and strengthening their friendship and cooperation, Li added.

"Our bilateral relations, which are based on the Five Principles of Peaceful Coexistence, have made gratifying progress over the past years," he said.

In the statement, Li expressed his hope that through the visit, the friendly relations and cooperation already existing between China and Nepal will be further consolidated and developed.

At the airport, Li was greeted by chairman of National Council Beni Bahadur Karki [name as received], Assistant Minister for Housing and Physical Planning Dilendra

Prasad Badu, main opposition leader Man Mohan Adhikary [name as received], Kathmandu Mayor P.L. Singh [name as received] and other senior Nepali officials.

This is the first visit by a CPPCC chairman to the country since the founding of the People's Republic of China in 1949.

Li Meets Assembly Chairman

OW2511170893 Beijing XINHUA in English 1646
GMT 25 Nov 93

[Text] Kathmandu, November 25 (XINHUA)—Visiting Chairman of the 8th National Committee of the Chinese People's Political Consultative Conference (CPPCC) Li Ruihuan said that relations between China and Nepal are close and friendly, and fruitful cooperations have been achieved between the two countries in various fields.

Li made these remarks this afternoon in the Nepalese Parliament building at a meeting with Beni Bahadur Karki, chairman of the Nepalese National Council.

Li came here today for a four-day friendly visit at the invitation of the Chairman of the Nepalese National Council Karki.

"There are no unsolved problems existing between us," Li said, adding since the new government came to power, Sino-Nepalese relations are continuously developing in the past two years and more visits have been exchanged by leaders of both countries and fruitful cooperations conducted in various fields.

Li said that through his current visit, the CPPCC has established direct contacts with the National Council of Nepal which would further encourage the cooperative relations between the two countries.

"China is now making the utmost efforts for modernization," Li said, adding "a long-standing peaceful international atmosphere, especially a stable environment around our country, is necessary."

"Our policy is to unswervingly maintain the friendly and cooperative relations between China and Nepal," Li said.

"We believe that with the efforts of our two sides, the friendly cooperation between our two governments and two peoples are bound to be further developed and strengthened," he added.

Li expressed the hope to maintain and extend the contacts with the Nepalese upper house.

In reply, Karki said, "The friendship between Nepal and China are sincere and consolidated. The Nepalese people are thankful to China's support and economic help. The Nepalese people always take Chinese people as their reliable friends and intimate brothers and have insisted on one-China policy."

Karki expressed the belief that Li's visit "would further strengthen understanding and friendship between the peoples of the two countries and develop cooperations in various fields, especially in economic and trade fields."

Chairman Li expressed his appreciation to Nepal's one-China policy and its support to China in the U.N. organization.

Karki held a banquet this evening in honor of the Chinese leader and the delegation led by him.

Meets State Council Chairman

*OW2611095993 Beijing XINHUA in English 0900
GMT 26 Nov 93*

[Text] Kathmandu, November 26 (XINHUA)—Chairman of the 8th National Committee of the Chinese People's Political Consultative Conference (CPPCC) Li Ruihuan met with Chairman of the State Council of Nepal Bhadra Kali Mishra this morning.

When briefing Mishra on the development in China, the CPPCC chairman said that China is concentrating its efforts on national economic development since China is still a developing country compared with the developed countries in the world.

"So under such circumstances, we are in great need of a favorable international environment," Li said.

He hoped that the good relationship between the two countries would be further developed in the future.

While extending an invitation to the Nepali State Council, Li expressed his hope that the council will send delegations to China.

During the meeting, Mishra said that he is very glad to hear that China has made great changes and progress in various fields in the recent years.

The council chairman also hoped that the two neighboring countries would further strengthen their cooperations to better mutual understanding and promote comprehensions in the future.

Meets House Speaker

*OW2611100593 Beijing XINHUA in English 0942
GMT 26 Nov 93*

[Text] Kathmandu, November 26 (XINHUA)—Visiting Chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) Li Ruihuan said that all countries have rights to select their own roads of development in accordance with conditions in their countries.

The CPPCC chairman made the remarks in the Nepalese parliament building this morning when meeting with Daman Nath Dhungana, speaker of the House of Representatives of Nepal.

Li said that "we heartily wish Nepal to enjoy a political stability, economic development, social progress as well as achievements in other fields."

While briefing the organization of CPPCC to the Nepalese speaker, Li said that China always pays good attention to the experiences gained in democracy by other countries including Nepal.

But, Li said, the form of democracy and its progress should be based on the country's own situation. Any try to copy the form or being forced to adopt it are bound to failure, he added.

The Nepalese lower house speaker said that Li's current visit would strengthen the relations and contacts between the two parliaments and he hoped the contacts would be further enlarged in the future.

He said that China's fast economic development and construction in laws have left a deep impression to him during his China visit in 1992.

He said that he appreciated the current system of China for its achievements in stability and development.

Meets Prime Minister

*OW2611133793 Beijing XINHUA in English 1306
GMT 26 Nov 93*

[Text] Kathmandu, November 26 (XINHUA)—Chairman of the 8th National Committee of the Chinese People's Political Consultative Conference (CPPCC) Li Ruihuan highly praised Nepal's domestic and foreign policies at a meeting with Prime Minister Gijja Prasad Koirala at the prime minister's office here today.

Li said that the Nepalese prime minister's two visits to China have strengthened friendship between the peoples of the two countries, deepened the mutual understanding and trust and promoted cooperations in various fields, especially in the economic and trade fields.

Li said that the Chinese Government attached great importance to developing Sino-Nepalese relations.

He said his current visit is aimed at promoting friendship and enlarging cooperation and further deepening the mutual understanding. Nepal is an intimate friend of China, Li added.

Li said that the Nepalese Government has made achievements in developing its economy and in improving its people's living standard.

As a neighboring country, China hopes that Nepal will maintain peace and stability and continue to develop its economy, Li said.

At the meantime, Nepalese Prime Minister Koirala said that Nepal and China are good friends and expressed his wish to strive to further develop the existing friendship between the two countries.

PRC, Nepal Reach Agreement on Road Traffic

OW2411154493 Beijing XINHUA in English 1513
GMT 24 Nov 93

[Text] Kathmandu, November 24 (XINHUA)—China and Nepal today signed an initial agreement on commercial road traffic between Kathmandu and Lhasa.

During the talks, which started on November 19, the two sides also reached agreement on the signing of the final agreement in the near future in Beijing.

It is expected that the development of commercial road traffic between Kathmandu and Lhasa will greatly boost trade, economic cooperation and tourism between China and Nepal.

PLA Chief Leaves for Bangladesh, Pakistan

OW2411130793 Beijing XINHUA in English 0900
GMT 24 Nov 93

[Text] Beijing, November 24 (XINHUA)—General Zhang Wannian, chief of general staff of the Chinese People's Liberation Army (PLA), and his party left here today for a goodwill visit to Bangladesh and Pakistan.

Zhang went at the invitation of the Bangladesh armed forces, and General Shamin Alam Khan [name as received], chairman of the joint chiefs of staff committee of Pakistan.

Seeing them off at the airport were Lieutenant General Xu Huizi, deputy chief of general staff of PLA, and Beijing-based diplomatic envoys from Bangladesh and Pakistan.

West Europe

Germany's Kohl Urges More Bilateral Cooperation

AU2311133993 Duesseldorf HANDELSBLATT in German 23 Nov 93 p 11

["cr"-signed report: "Chancellor Kohl Calls For New Cooperation Between Policy and Industry"]

[Text] Beijing, 22 November—Chancellor Helmut Kohl has advocated increased cooperation between policy, science, and industry. During a stopover in Beijing on his flight from Hong Kong to Moscow, Kohl mentioned to the press the example of the German inter-city express [ICE] high-speed train system. The chancellor said he would make sure that policymakers and industrialists jointly submit plans for an ICE express train connection between Beijing and Shanghai and, subsequently, Guangzhou.

He said that in the course of his weeklong China visit, he had realized that project proposals should be drafted jointly, irrespective of who would ultimately be awarded the contract. Kohl said it is true that there is no concept at this point, nor has responsibility for the project been defined, but upon his return, he will call a meeting of all firms interested in drafting an express train concept for China as soon as possible.

Conclusion From the Rejection in Seoul

In a neighbor country of the PRC, South Korea, the contract for the construction of an express train connection had been awarded to the French competitive system, train a grande vitesse [TGV], in the late summer, despite the chancellor's personal intervention.

Kohl said in Beijing that, for Germany, a strategy for the future was of the highest importance. The collapse of the former USSR and the end of the East-West conflict, as well as the demand of Third World countries to play an active role in bodies like the UN Security Council were making a reform of the United Nations necessary. It should, however, not again reflect the structures marking the world order after 1946. In the sense of a new multipolarity, countries like Brazil, India, or Indonesia should also be granted new options of cooperation.

Germany should ask itself what role it intended to play in a changing world, said Kohl. There was currently an atmosphere of provincialism in the Federal Republic. Developments in other countries were only considered incidentally, said the chancellor.

In this connection, Kohl also commented on changes in Europe and the emergence of the North American Free Trade Agreement [NAFTA] in North America and new forms of integration in Latin America and South East Asia. At the same time, other countries were, however, making excessive demands on Germany, criticized the chancellor.

"We need a new departure as in the 1950's," said Kohl. In parallel with inner unity, the Federal Republic must redefine its international positions. The current discussion on Germany's economic base should be accompanied by a reconsideration of Germany's role abroad. The chancellor said that China had an elementary interest in Europe. Germany was a particularly desirable partner "because we do not have a colonial past and because Germany's economic might is considered attractive."

Kohl said a more extensive commitment in Third World countries should form part of the new foreign trade and foreign policy concepts—both economically and ecologically. The chancellor said in this context that he urgently wished to take part in the German Industry Fair in Mexico, because he knew that Mexican President Salinas had an interest in increased cooperation with Europe.

Minimum Endowment From the State [subhead]

One should, however, also think about the financing of infrastructure projects, said Kohl. While he was a proponent of the social market economy, which as a rule had to function without financial subsidies, the economic sector needed a certain "minimum endowment" from the state.

In connection with the awarding of the subway project in Canton, an icy-cold poker game had taken place, with the competitors trying unscrupulously to underbid every bid made by Siemens-AEG, the leaders of the German consortium. Kohl said that subsidies are still indispensable in three areas—the coal industry, agriculture, and the ship-building sector.

Daily on Benefits of Kohl's 'Wise China Policy'*HK2611080393 Beijing CHINA DAILY in English
26 Nov 93 p 4*

[Article by Li Yan from the "Opinion" page: "German Economy Boosted by Kohl's Wise China Policy"]

[Text] German Chancellor Helmut Kohl has returned home after his visit to China, taking with him pleasant memories and contracts valued at nearly \$2.8 billion.

As the Deutsche Press-Agentur commented: "Kohl obtained more than the optimists had anticipated in the first several hours after his arrival."

Indeed, the German leader's visit to China was extremely successful, mostly in part to his sound leadership.

Thanks to his strategic insight and his federal government's handling of Sino-German relations, the European nation has placed priority on relations with China.

They have not only actively promoted trade and co-operation between the two countries, but adhere to the "one China" policy and have refused to sell submarines to Taiwan.

For these reasons, Germany has been able to maintain friendly ties with China when troubles have arisen between China and other Western countries.

Visit

On his China visit, the German premier brought an unusually large number of German entrepreneurs. The order forms, contracts and letters of intent they signed should create tens of thousands of jobs.

China's purchase of railway passenger cars valued at 165 million Deutschmarks (\$96.8 million) should improve economic recovery in eastern Germany.

Meanwhile, German funds and technology are helping China's modernization drive.

The \$2.8 billion worth of orders were merely preliminary achievements considering China's great market potential.

Between 1991 and this year, China's import volume was \$240 billion. It is expected to reach \$400 billion by the end of the Eighth Five-Year Plan period (1991-95).

China's development will open enormous opportunities to foreigners and Chinese alike.

Smart politicians like Kohl will not let such opportunities slip by.

Rong Yiren Receives UK Business Officials*OW2511094593 Beijing XINHUA in English 0825
GMT 25 Nov 93*

[Text] Beijing, November 25 (XINHUA)—Chinese Vice-President Rong Yiren met here this morning with foreign guests including Lord Sharp of Grimsdyke, former chairman and chief executive of Cable and Wireless Plc

[Public Limited Company] and former president of the Sino-British Trade Council, and Sir Percy Craddock, former British ambassador to China.

During the cordial and friendly talks, Rong welcomed the foreign guests to China, saying that this developing country needs overseas investment to develop and build a socialist market economy.

In continuing its process of reform and opening, he noted that China is to give priority to the development of infrastructures and basic industries like energy, transportation and telecommunications.

He hoped that China and overseas friends will be able to cooperate in the above-mentioned fields.

On the relationship between the rising population and economic development in China, Rong pointed out, "We hope to exercise more effectively the family-planning policy while continuing to develop agriculture and rural enterprises, so as to avoid hindrances to China's economic development caused by population pressures."

Sharp expressed his admiration for China's achievements in the implementation of its reform and opening policy.

Both sides also exchanged opinions on some other issues of common interest.

Those present at the meeting included Lord James Rockley, chairman of the Kleinwort Benson Group Plc, Robin T. Fox, chairman of the China Investment and Development Fund Ltd, Wei Mingyi, chairman of the China International Trust and Investment Corporation (CITIC).

At the invitation of CITIC, these guests are here to attend the board meeting of the China Investment and Development Fund Ltd., which is a financial organization arranging investments in China's domestic enterprises.

The overseas fund, set up last October, has invested in quite a number of joint ventures in China involving a total investment of about 30 million U.S. dollars.

Now the fund is seeking for more investment opportunities on China's mainland.

Departing Envoy Meets Spain's King Juan Carlos*OW2511023893 Beijing XINHUA in English 0151
GMT 25 Nov 93*

[Text] Madrid, November 24 (XINHUA)—King of Spain Juan Carlos said here today that it is Spanish policy to further develop bilateral relations and maintain "long-term, stable and friendly cooperation" with China.

King Carlos made his remarks as he and Queen Sofia met with outgoing Chinese Ambassador Yuan Tao.

The king said that during the past five years mutual understanding between the two countries had increased and great progress had been made in all fields, especially in economic cooperation and bilateral trade.

"This was the result of our common efforts," he added.

Carlos said that great achievements have already been made in China's reform process, which began only 15 years ago.

French Bank Establishes Branch in Tianjin

SK1911021493 Tianjin TIANJIN RIBAO in Chinese
9 Nov 93 p 1

[Text] The Tianjin branch of the Xingye Bank of France was formally established yesterday. Executive Vice Mayor Li Shenglin and responsible persons of departments concerned met with the French guests. Li Shenglin expressed welcome and congratulations to Xingye Bank on their establishment of a branch in Tianjin.

The Xingye Bank of France is a big international bank with a total asset value of \$250 billion and a network of branches and offices in more than 60 countries of the world. It is a French bank with the highest efficiency. This bank has already established branches in Shenzhen and Guangzhou and has offices in Beijing, Shanghai and Wuhan. Recently, Xingye Bank granted a credit fund of 4 billion francs for the Shenlong Vehicle export project in Wuhan and served as one of the leading banks granting loans for the Daya Bay nuclear power station project. It has arranged for more than \$500 million medium-term loans for organs of the Chinese side and helped the China Aviation Company raise a fund of more than 400 million.

The Xingye Bank of France is the third foreign bank to establish a branch in Tianjin. It will provide comprehensive banking services, including commercial loans, trade, and the use of funds for carrying out projects.

Latin America & Caribbean

Reportage on Jiang Zemin's Activities in Brazil

Jiang Makes 4-Point Proposal

OW2411155493 Beijing XINHUA in English 1546
GMT 24 Nov 93

[Text] Brasilia, November 24 (XINHUA)—Chinese President Jiang Zemin today put forward a four-point proposal for the establishment of a new international economic order and said China will make its contributions toward such a goal.

Speaking at a welcoming ceremony given in his honor by the Brazilian Parliament, Jiang said many developing countries are facing heavy debts, deterioration of their trade terms and the backward flow of funds caused by the existing international economic order, which is unequal, unreasonable and unjust.

If such a situation is allowed to continue, world peace and development will be out of the question, he added.

To establish new-styled international economic relations, the Chinese president spelled out the following four-point proposal:

—Countries of the world, big or small, rich or poor, should respect each other and participate in the handling of international economic affairs as equal members of the world community, and should develop their economic and trade relations under the principles of equality and mutual benefit;

—Each country has the right to independently choose its own social system, economic pattern and path of development according to its national conditions; each country has the right to effectively control its own resources and development;

—To enhance the North-South dialogue and cooperation and make necessary adjustments and reforms in commodity, trade, fund, quality, money, finance and other major fields of the world economy. The advanced countries should respect and give consideration to the interests of the developing countries and should not attach any political conditions while providing aid;

—To promote South-South cooperation and strengthen consultations and exchanges amongst developing countries. These countries should learn from each other and help supply each other's needs so as to seek mutual development.

Congress Members Fete Jiang

OW2411175793 Beijing XINHUA in English 1739
GMT 24 Nov 93

[Text] Brasilia, November 24 (XINHUA)—The Brazilian Senate and Chamber of Deputies jointly held a grand ceremony this morning, warmly welcoming Chinese President Jiang Zemin.

At the opening speech, Humberto Lucena, president of the Senate, expressed the hope that President Jiang's visit to Brazil will further enhance the close friendly relations between the two countries.

On behalf of the Senate, former President Jose Sarney said that Brazil and China, the two big countries in Latin America and Asia, can enhance cooperation in many fields.

He proposed to establish a strategic relationship between the two countries so that they can learn from each other in their economic development and exert common efforts for a bright future of the world.

Adylson Motta [spelling of name as received], speaking on behalf of the Chamber of Deputies, said that although differences exist between Brazil and China in culture, their common interests bring them close and they share the desire to seek progress and happiness for the people.

There exist a great opportunity and necessity for the two countries to continue dialogue and cooperation, he said.

He expressed the belief that Brazil's National Congress will continue its effort to contribute to the development of bilateral relations and cooperation.

Speaking at the welcoming ceremony, President Jiang highly valued the friendship and cooperation between the two parliaments, which, he said, have played a great role in pushing forward the two countries' relations.

China sets great store by the development of the friendly relations and cooperation between China and the Latin American nations including Brazil, regarding it as an important part of the South-South cooperation, Jiang said.

In the past 20 years since the establishment of their diplomatic relations, China and Brazil have made great progress in developing their friendly relations, he said.

He stressed that the reinforcement of Sino-Brazilian cooperation will contribute greatly to the South-South cooperation, the progress of mankind and world peace as well.

With the further enhancement of mutual understanding and economic growth, the two countries' friendship and cooperation will be closer and more fruitful, he believed.

On the world economic situation, Jiang said that many developing countries are facing heavy debts, deterioration of their trade terms and the backward flow of funds caused by the existing international economic order, which is unequal, unreasonable and unjust.

If such a situation is allowed to continue, world peace and development will be out of the question, he added.

The developing nations need capital and technology from the developed nations while the latter need raw materials and markets from the former, Jiang said, adding that the backwardness of the developing countries inevitably affects the economic development of the developed countries.

He called on the industrialized countries to take effective actions aimed at improving the international economic environment, such as eliminating trade protectionism, opening the market, reducing the developing countries' debt, relaxing restrictions on technology transfer and increasing development assistance and environment protection funds.

President Jiang stressed the high necessity of establishing a new international economic order and China's willingness to contribute to its realization.

Jiang Speaks at Event

OW2511061393 Beijing XINHUA Domestic Service in Chinese 1739 GMT 24 Nov 93

[By reporters Wu Yongheng (0702 3057 1854) and Zhao Xiaozhong (6392 2556 6988)]

[Text] Brasilia, 24 Nov (XINHUA)—The Brazilian Senate and Chamber of Deputies jointly held a grand ceremony this morning, welcoming visiting President Jiang Zemin of the People's Republic of China.

The welcoming ceremony was held in Brazil's National Congress building. President Jiang Zemin was met at the

entrance by Brazilian Senate President Lucena and Chamber of Deputies President Oliveira.

The national flags of China and Brazil were hung in the hall of the National Congress building. Members of the National Congress, members of the Cabinet, and foreign diplomatic envoys in Brazil who were waiting in the hall greeted President Jiang Zemin with warm applause.

Before the ceremony began, a band played the national anthems of China and Brazil. President Lucena presided over the ceremony. He first extended his warm welcome to Jiang Zemin who was on his first visit to Brazil since becoming state president. Lucena was convinced that the visit would further enhance close friendly relations between the two countries.

Then, Senator Sarnei, former Brazilian president, spoke on behalf of the Senate. He happily recalled his 1988 visit to China as the Brazilian president. He said that Brazil and China, as big countries in Latin America and Asia, could cooperate with each other in many fields and make up for each other's economic deficiencies. He believes that Brazil and China can work together on many grand projects to benefit their peoples and contribute to building an even better world.

Motta, Chamber of Deputies member, spoke on behalf of the Chamber of Deputies. He said: Brazil and China are geographically far apart and have cultural differences. However, both countries share the aspirations of seeking progress and happiness for the people. Common interests bring us close. The Chamber of Deputies of Brazil is willing to make unremitting efforts to enhance the relations between the two governments and the two peoples.

In his speech, Jiang Zemin expressed his heartfelt thanks to the Brazilian National Congress for holding the grand welcoming ceremony and conveyed to the Brazilian people the cordial regards and best wishes of the Chinese people.

Jiang Zemin said: The friendly exchanges and cooperation between the National People's Congress of China and the National Congress of Brazil have played a great role in promoting mutual understanding and friendship between the Chinese people and the Brazilian people and in promoting friendly and cooperative relations between the two countries.

On the current international situation, Jiang Zemin pointed out: The present world is in a period of great changes. The termination of the Cold War has not brought tranquility to the world. The world economic situation is grim. Most developing countries continue to suffer heavy debts, deterioration of trade terms, serious backward flow of funds, widening South-North gaps, and other difficulties. These difficulties are, to a great extent, caused by the existing international economic order which is unequal, unreasonable, and unjust. Drastic changes in the international situation have added new difficulties to developing countries. If such a situation is allowed to continue, world peace and development which the world's people have long hoped for will be out of the question.

Jiang Zemin said: The economic relations among various countries are becoming more and more closer. Equality and mutual benefit are the basis for economic exchanges. We believe that developed countries, particularly the major developed countries, should take effective actions to improve the international economic environment, such as eliminating trade protectionism, opening up the market, reducing the developing countries' debt, increasing governmental development assistance and environment protection funds, and relaxing restrictions on technology transfer. Developed countries should make their due contributions to the economic restoration and development of developing countries. Their doing so also conforms to their own interests.

Jiang Zemin stressed that establishing a new international economic order is the urgent demand of the international community, particularly among the vast number of developing countries. He said that China is willing to join other countries in contributing to gradually establishing a just and rational new international economic order.

He said: China sets great store by the establishment and development of the friendly relations and cooperation between China and the Latin American nations including Brazil, regarding it as an important part of the South-South cooperation. In the past 20 years since the establishment of their diplomatic relations, China and Brazil have made great progress in developing their friendly and cooperative relations in all fields, and the friendship between the Chinese people and the Brazilian people has grown with each passing day. The reinforcement of Sino-Brazilian cooperation will contribute greatly to the South-South cooperation, the progress of mankind and world peace as well. He believes that with the further enhancement of mutual understanding and economic growth, the two countries' friendship and cooperation will be closer and more fruitful.

Jiang Zemin's speech aroused great interest among the audience, which frequently responded with warm applause.

Urges 'New' Economic Order

HK2611073293 Beijing CHINA DAILY in English
26 Nov 93 p 1

[By our staff reporter Chen Xiao: "Jiang Asks West to Take Lead on Trade Barriers"]

[Text] Brasilia—Developed countries should take the initiative in eliminating trade barriers and improving conditions for global economic development, Chinese President Jiang Zemin said here.

In his speech at the Brazilian Congress in Brasilia on Wednesday [24 November] morning, Jiang urged the developed nations to take the lead in:

- eliminating trade protectionism and opening markets,
- reducing debt on developing countries,
- increasing government funds to protect the environment and

—relaxing limitations on the transformation of technologies.

Jiang, who is on an official visit to Brazil, said: "Those methods will not only help to revive the economies in the developing countries but will also benefit developed countries themselves."

At present, most of the developing countries are burdened with heavy debts and unfavorable trade environments that widen the gap between North and South, he said.

"To a great extent these were the results of an unfair and irrational international economic order. Moreover, drastic changes in the world have brought new difficulties to the developing countries," Jiang said.

"It is an urgent need to establish a new world economic order."

Jiang proposed that all trade should observe the principle of mutual benefit. Each country has the right to choose social and economic systems in accordance with its own conditions and adopt efficient control over opening up its own resources, he added.

Meanwhile, Jiang said, dialogue and co-operation between South and North should be improved, and major international economic systems like trade, funding, quality, currency and banking should be reformed.

Developed countries should not attach additional conditions in their aid pacts to developing countries, Jiang went on.

In another development, Chinese Vice-Premier and Foreign Minister Qian Qichen reiterated China's support for reforms within the United Nations and the Security Council at a press conference in Brasilia.

"Expansion of the Security Council is brewing," said Qian. "The council should include not only developed countries, but also developing nations. "At the same time, consideration should be given to the balance among different areas."

Brazil, the largest country in Latin America, is applying for a position in the UN Security Council.

"Promoting the relationship with Latin American countries is an important part of China's foreign policy," said Qian. "Increasing dialogue between China and Latin America is of great importance to the current world situation." Chinese vice-premiers Zhu Rongji and Qian visited Brazil last June and March, respectively.

Concerning Cuba, Qian said: "We are not for any blockades." Jiang and Qian paid a short stop-over visit there before arriving in Brazil. "Despite some setbacks between the two countries years ago, the relationship between China and Cuba has become smooth," Qian said. Most UN member countries advocate cancellation of the Cuban blockade, he added.

When asked about China's attitude towards the Asia-Pacific Economic Co-operation (Apec), Qian said, "Apec

will help to strengthen co-operation among Apec members but it will not become an economic community, because Apec should meet the economic varieties with the area."

Qian also told reporters "the exchange of visits between both sides of the Taiwan Straits will serve the cause of China's reunification."

He added that the proposal by some Central American countries on Taiwan's return to the UN has been rejected by most UN members.

Jiang Leaves for Foz do Iguacu

OW2411162493 Beijing XINHUA in English 1614 GMT 24 Nov 93

[Text] Brasilia, November 24 (XINHUA)—Chinese President Jiang Zemin, winding up his Brasilia tour, left for Foz do Iguacu this morning to continue his visit to this Latin American nation.

Brazilian Foreign Minister Celso Amorim saw him off at the airport.

The Chinese president arrived here on Monday [22 November]. During his stay in the capital, he had held talks with his Brazilian counterpart Itamar Franco, and met with leaders of the Brazilian Senate and Chamber of Deputies as well as the Supreme Federal Tribunal.

Franco presented Jiang with a "National Order of South Cross," the highest honor of the Brazilian Government.

Jiang is also scheduled to tour the cities of Sao Paulo, Rio de Janeiro and Manaus during his visit.

'Newsletter' on Itaipu Dam Tour

OW2611035793 Beijing XINHUA Domestic Service in Chinese 1540 GMT 24 Nov 93

["Newsletter" by Wang Chunrong (3769 2504 2837): "Construct More Projects for the Next Century—an Account of President Zemin's Tour of the Itaipu Power Station"]

[Text] Fos do Iguacu, 24 Nov (XINHUA)—Amid the tropical forests in southern Brazil, a magnificent giant dam stands above the ground, dividing the Parana, the boundary river between Brazil and Paraguay. This is where the world's largest hydroelectric power station, Itaipu Power Station, is located.

At noon on 24 November, PRC President Jiang Zemin, who has been paying a state visit to Brazil, and his retinue arrived by the Brazilian president's special plane, in the border city of Fos do Iguasu from the capital, Brasilia. In spite of the long trip, President Jiang immediately went to the Itaipu Power Station, reputed as the "project of the century," in the company of Panara Governor Requiao and Fos do Iguasu Mayor Gu-si-ta-wo [name as received]. After the motorcade arrived at the power station, President Jiang was escorted by the station's Brazilian General Manager Gomide and other officials to the elevator, which

took them on a tour to the ground level of a 196 meter-high, giant concrete air-cored gravity dam.

The Itaipu Power Station was jointly invested in and built by Brazil and Paraguay; and the construction took almost 17 years to complete, from October 1974 to May 1991. It has 18 generating units with a total installed capacity of 12.6 million kw; and its annual generating capacity of 79 billion kwh [kilowatt-hours] can meet Paraguay's entire power demand and more than 28 percent of Brazil's demand. The power station is jointly managed by the two countries, with one general manager from each side. On the floor in the engine room inside the "cross-country" air-cored giant dam, a line delineates the national boundary.

Jiang Zemin, who majored in electrical engineering in his early years, has taken a special interest in China's power industry since his assumption of the presidency. According to a member of his retinue, after a decision was made on his visit to Brazil, President Jiang said that once in Brazil, he must spend some time visiting the Itaipu Power Station, even at the expense of skipping other places. In the central control room of the air-cored giant dam, Jiang Zemin inquired whether the power station was operating at full capacity. General Manager Gomide told him that the present load was 10 million kw, about 80 percent of the designed capacity. Afterwards, he went to the engine room to view the operation of hydro turbo-generating units at the center of the dam. Showing an even greater interest, he asked a few questions. However, because of the humming of the machines, it was difficult for the interpreter to translate. Therefore, Jiang Zemin used English to directly converse with Brazilian officials.

The Itaipu Power Station uses power transforming technology, which is regarded as advanced internationally. In the computerized power distribution room, Jiang Zemin inquired, in particular, about power transforming for long-distance transmission lines.

After viewing the operations at the dam's center, Jiang Zemin asked about whether the power station's equipment was made in Brazil. According to the management, 65 percent of the equipment was manufactured domestically. Jiang Zemin said: The most difficult stage of a power station is its construction period because the cost is extremely high; once it is completed and put into operation, the maintenance expenses will be comparatively much lower.

At the top of the main dam, President Jiang viewed the panorama of the power station. In pointing to rippled water on the reservoir side, he asked about measures for protecting the environment since the completion of the power station, and whether there were fish in the water. An engineer told him that the ecological measures include a migration course project to enable fish to swim against the current, and the power station has also developed aquaculture. Then, Jiang Zemin asked about the silting condition and whether it would damage the generating units. When he was told that the problem did not exist, he told

members of his retinue that the water there was much clearer than that of the Huang He.

Finally President Jiang Zemin went to the garden at a corner of the power station compound, prepared especially for distinguished guests to plant trees. While President Jiang was swinging a spade to cover the sapling with soil, Governor Requiao told him about a Brazilian saying: If one wants to accomplish something, one should plant trees or build power stations. The Chinese president nodded approvingly.

When President Jiang bid farewell to Governor Requiao at the end of the two-hour tour, he said that the tour was very educational and he had learned much. In real earnest, he added that if all people are engaged in the two major undertakings of peace and development, the world will change greatly. China is now dedicated to peace and development and hopes to construct more projects for the next century.

Jiang Arrives in Sao Paulo

OW2511000493 Beijing XINHUA in English 2342
GMT 24 Nov 93

[Text] Sao Paulo, November 24 (XINHUA)—Chinese President Jiang Zemin arrived here tonight to continue his six-day state visit to Brazil.

The president was greeted at the airport by Governor of Sao Paulo Luis Fleury, Chairman of the Assembly of Representatives Victor Sapienza and other senior officials of the state.

Sao Paulo is the largest city in South America.

During his stay here, Jiang will visit the Brazilian National Institute of Space Technology (INPE) and Brazil's aircraft manufacturing company (Embraer) in the outskirts of Sao Paulo.

Earlier today, Jiang traveled to Foz do Iguacu from Brasilia to see the Itaipu Hydro-Electric Power Station, the world's largest one of the kind in terms of generating capacity.

'Roundup' Updates Jiang Zemin's Brazil Visit

OW2511003493 Beijing XINHUA in English 0010
GMT 25 Nov 93

[Roundup: "Chinese President Continues Brazil Tour"]

[Text] Sao Paulo, November 24 (XINHUA)—Chinese President Jiang Zemin arrived here tonight to continue his six-day state visit to Brazil.

The president was greeted at the airport by Governor of Sao Paulo Luis Fleury, Chairman of the Assembly of Representatives Victor Sapienza and other senior officials of the state.

Sao Paulo is the largest city in South America.

During his stay here, Jiang will visit the Brazilian National Institute of Space Technology (INPE) and Brazil's aircraft manufacturing company (Embraer) in the outskirts of Sao Paulo.

Earlier today, Jiang traveled to Foz do Iguacu from Brasilia to see the Itaipu Hydro-Electric Power Station, the world's largest one in terms of generating capacity.

In Brasilia, the Brazilian Senate and Chamber of Deputies jointly held a grand ceremony this morning, warmly welcoming Chinese President Jiang Zemin.

At the welcoming ceremony, President Jiang put forward a four-point proposal for the establishment of a new international economic order and said China will make its contributions toward such a goal.

Jiang said many developing countries are facing heavy debts, deterioration of their trade terms and the backward flow of funds caused by the existing international economic order, which is unequal, unreasonable and unjust.

If such a situation is allowed to continue, world peace and development will be out of the question, he added.

To establish new-styled international economic relations, the Chinese president spelled out the following four-point proposal:

- Countries of the world, big or small, rich or poor, should respect each other and participate in the handling of international economic affairs as equal members of the world community, and should develop their economic and trade relations under the principles of equality and mutual benefit;
- Each country has the right to independently choose its own social system, economic pattern and path of development according to its national conditions; each country has the right to effectively control its own resources and development;
- To enhance the North-South dialogue and cooperation and make necessary adjustments and reforms in commodity, trade, fund, quality, money, finance and other major fields of the world economy. The advanced countries should respect and give consideration to the interests of the developing countries and should not attach any political conditions while providing aid;
- To promote South-South cooperation and strengthen consultations and exchanges amongst developing countries. These countries should learn from each other and help supply each other's needs so as to seek mutual development.

Jiang Visits Aerospace Center

OW2511164293 Beijing XINHUA in English 1633
GMT 25 Nov 93

[Text] Sao Paulo, November 25 (XINHUA)—Chinese President Jiang Zemin today visited Brazil's aerospace center in the outskirts of Sao Paulo.

The Chinese president first came to the Brazilian National Institute of Space Technology and toured the assembly building, accompanied by Jose Vargas, Brazilian Minister of Space and Technology.

Jiang watched models on display, including one of the earth resources satellites that the two countries will jointly make, and occasionally asked technical questions.

Jiang's visit came just after the two countries signed an agreement to jointly manufacture two satellites, the first of which will be launched in 1996.

At the end of the tour, Jiang said that the institute had left him a deep impression. "Both Chinese and Brazilians are very intelligent. I believe that we can make miracles by working together," he said.

Later, Jiang toured the Brazilian aircraft manufacturer—Embraer.

'Feature' on Aerospace Tour

OW2611025093 Beijing XINHUA Domestic Service in Chinese 1747 GMT 25 Nov 93

[Feature by Ma Shengrong (7456 0524 2837) and Wu Yongheng (0702 3057 1854): "Sino-Brazilian High-Technology Cooperation Has a Great Potential—on President Jiang's Visit to Brazil's Aerospace Center"]

[Text] Sao Paulo, 25 Nov (XINHUA)—Soon there will be a new member among the man-made satellite group in vast space, an Earth resources satellite jointly developed and launched by China and Brazil.

President Jiang Zemin of the People's Republic of China, despite fatigue during his state visit over the past few days, drove more than 120 km this morning to visit the Brazilian National Institute of Space Technology where the satellite is being made.

At the entrance, the national flags of China and Brazil were flying in the gentle breeze after a drizzle. Scientists and technicians gathered in the courtyard to greet the Chinese visitors from afar.

President Jiang Zemin first toured the satellite test and assembly building, accompanied by Jose Vargas, Brazilian Minister of Space and Technology; and by Barboza [name as received], director of the institute.

President Jiang, in a light gray suit, walked with vigorous strides to the Electromagnetic Interference Test Room. He accurately used some astronautical terminology in English, winning admiration from the hosts around him.

During the visit, Jiang Zemin frequently conversed in English with Minister Vargas and Director Barboza. A Chinese reporter covering the tour did not understand English. President Jiang turned around and interpreted for her. Vargas said to Jiang Zemin with a smile: "You are an expert in this field."

President Jiang was greatly interested in the briefing at the Space Simulation Lab, and he had a fairly long chat with Vargas and Barboza in front of some test equipment.

Later, Jiang Zemin took a rest in a small reception room. He told Minister Vargas and Director Barboza that China and Brazil are the two largest developing nations, one in the eastern hemisphere and the other in the western hemisphere, and the high-technology cooperation between the two has great potential. He believed that Sino-Brazilian cooperation in developing satellites would certainly proceed smoothly. Sitting on a sofa, he then had a chat with the hosts. He asked Director Barboza in English:

"Are your staff members college-educated?"

"Yes, the Institute of Space Technology has a payroll of some 1,600. More than 400 of them hold either doctor's or master's degrees," replied Director Barboza.

According to Vargas, the Institute has more than 50 departments, which cooperate very well with one another. Then, he presented President Jiang with a photograph taken from a satellite.

President Jiang stood up, accepted the photograph, and asked, pointing at the photograph, which looked like an oil painting: "Is the color original?"

Barboza answered: "Some color was added later."

President Jiang said to the hosts: "I am an electrical engineering major and know very little about astronautics, but I know that fine work is the key to a satellite's success."

Minister Vargas nodded in agreement. He said: "Great progress has been made in Brazilian-Chinese technological cooperation. I think that we should have less luxury and more efficiency here."

President Jiang said with a smile: "It is not luxurious here, but better equipment is a necessity."

Minister Vargas believes that the Brazilian-Chinese technological cooperation is in a special stage, and hopes that the pace of cooperation in this field will be accelerated. He said to President Jiang with a smile: "Both the Brazilian and Chinese presidents were engineers. Knowing the technological job, they will certainly support cooperation in this field."

The crowd in the small reception room burst into laughter in agreement.

Jiang Addresses Businessmen

OW2611050493 Beijing XINHUA Domestic Service in Chinese 1752 GMT 25 Nov 93

[By reporters Wu Yongheng (0702 3057 1854) and Huang Yong (7806 3144)]

[Text] Sao Paulo, 25 Nov (XINHUA)—The People's Republic of China President Jiang Zemin said here today that as China provides excellent opportunities for foreign

investors and entrepreneurs in the 1990s, he warmly welcomes Brazilian entrepreneurs to invest and set up plants in China.

President Jiang Zemin made the remark at a luncheon held in his honor and hosted by the Federation of the Sao Paulo State Industry.

The president said that China is a developing country and a country with great economic potential. China will constantly strengthen construction in such fields as agriculture, basic industry, pillar industry, and export industry, and will embark on a number of giant transcultural projects which will doubtlessly provide good investment opportunities for foreign investors and entrepreneurs.

On the evening of 24 November, Jiang Zemin and his party arrived in Sao Paulo, Brazil's largest industrial, commercial, financial, and scientific center. The Federation of the Sao Paulo State Industry is Brazil's largest and the most influential industrial and mining organization whose member enterprises' gross output accounts for one-third of the industrial output of Brazil.

Today, together with the honorable Chinese guests, some 300 local entrepreneurs from different sectors attended a luncheon at the Great Hall of the Federation and listened to Jiang Zemin's speech.

President Jiang briefed Brazilian entrepreneurs on China's policy of reform and opening up and the current economic situation. He said that since China implemented the policy of reform and opening at the end of 1978, the national economy has gone onto the track of sustained, rapid, and healthy development [chi xu kuai su jian kang fa zhan 2170 4958 1816 6643 0256 1660 4099 1455]. Over the last 15 years, China has made tremendous achievements in economic construction and other undertakings, constantly enhanced its overall national strength, and markedly improved the people's standard of living. China's gross national product [GNP] in 1992 increased by 12.8 percent over 1991 and China's international trade ranking rose from 32 to 11. China's national economy continues to maintain a momentum of rapid growth this year and the GNP in the first nine months increased by 13.3 percent over the previous year. At present, China enjoys a stable political situation, a brisk economy, and a big surge in foreign investment.

Jiang Zemin stressed that China will unswervingly adhere to the policy of opening. Coastal, river, and border cities and provincial capitals in the hinterland have all opened themselves to the outside world, and a pattern of multi-level and omnidirectional opening has initially taken shape. China is also accelerating the pace of developing Shanghai's Pudong Area and of turning Shanghai into one of the international economic, trade, and financial centers. He said that the cooperation between Sao Paulo and Shanghai will increase, as the two cities have already established a friendship tie. China will expand the field of the opening, continue its efforts to improve the investment environment, and pick up the pace to establish a new type of trade structure which is compatible with international

trade practices. While boosting exports, China will correspondingly increase imports. It is expected that China will import \$450 billion worth of goods over the next five years.

President Jiang said that "over the 20 years since the establishment of Sino-Brazilian diplomatic ties, the two countries have achieved gratifying results in all fields of cooperation, and businessmen of the two countries have engaged themselves in fruitful cooperation." He also said: "I warmly welcome Brazil's entrepreneurs to invest and set up factories in China and heartily wish you will continue to work on the development and prosperity of Brazil and friendly cooperation between China and Brazil."

Molera [name as received], chairman of the Federation of the Sao Paulo State Industry, extended a warm welcome to President Jiang Zemin. He said Brazil and China are in the process of establishing a pattern for firm economic cooperation. This pattern for economic cooperation, he noted, is based on equality, strives to achieve a complementary economic relationship, and aims at national development and creating happiness for the people.

Molera pointed out that the world is rediscovering China and China is now displaying an economic miracle to the world. The socialist market economy is bringing China an astonishing economic growth rate.

He also said that the possibility of expanding exchanges between China and Brazil is pragmatic and that Brazilian entrepreneurs are making further efforts to promote the economic ties between the two countries.

Welcomes Brazilian Investment

OW2511211993 Beijing XINHUA in English 2111
GMT 25 Nov 93

[Text] Sao Paulo, November 25 (XINHUA)—Chinese President Jiang Zemin today extended his warm welcome to Brazilian businessmen wishing to invest in China.

Speaking at a luncheon here with Brazilian businessmen, Jiang said that China is a developing country of enormous economic potential in terms of sufficient labor power, material resources and huge market.

In the rest of the 1990s, China will constantly strengthen the construction in such fields as agriculture, infrastructure, and exporting industries.

It will start a number of giant projects to be carried beyond the next century, he said.

"It doubtless will provide good investment opportunities for investors and entrepreneurs around the world," he said.

The Chinese president said that China has all along attached high importance to establishing and improving relations of cooperation with Latin American countries.

Over the 20 years since the establishment of the Sino-Brazilian diplomatic ties, the two countries have achieved

gratifying results in all fields of cooperation and businessmen of the two countries have engaged themselves in fruitful cooperation, he said.

"The smooth development of Sino-Brazilian cooperation is inseparable from the persistent efforts taken by their businessmen," Jiang said.

"I warmly welcome Brazilian businessmen's efforts to invest and set up factories in China and heartily wish you will continue to work for the friendly cooperation" between China and Brazil, Jiang said.

'Roundup' Updates Jiang's Sao Paulo Activities

OW2511230593 Beijing XINHUA in English 2152
GMT 25 Nov 93

[Roundup: "Jiang Welcomes Brazilian Investment in China]

[Text] Sao Paulo, November 25 (XINHUA)—Chinese President Jiang Zemin today extended his warm welcome to Brazilian businessmen wishing to invest in China.

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"I warmly welcome Brazilian businessmen's efforts to invest and set up factories in China and heartily wish you will continue to work for the friendly cooperation" between China and Brazil, Jiang said.

Earlier in the day, president Jiang visited Brazil's aerospace center in the outskirts of Sao Paulo.

The Chinese president first came to the Brazilian National Institute of Space Technology and toured the Assembly Building, accompanied by Jose Vargas, Brazilian Minister of Space and Technology.

Jiang watched models on display, including one of the earth resources satellites that the two countries will jointly make, and occasionally asked technical questions.

Jiang's visit came just after the two countries signed an agreement to jointly manufacture two satellites, the first of which will be launched in 1996.

Later, Jiang toured the Brazilian aircraft manufacturer—Embraer.

Jiang Meets Overseas Chinese

OW2611125293 Beijing XINHUA Domestic Service in Chinese 0201 GMT 26 Nov 93

[By reporter Wu Yongheng (0702 3057 1854)]

[Text] Sao Paulo (Brazil), 25 Nov (XINHUA)—PRC President Jiang Zemin met with representatives of the Overseas Chinese community in Sao Paulo and local nationals of Chinese descent here this afternoon.

Nearly 300 representatives attended the meeting.

Jiang Zemin extended warm regards to them, saying that seeing so many compatriots here was like "running into an old friend in a distant land."

President Jiang Zemin briefed them on the situation of reform and opening in the motherland. He said: While China is endeavoring to initiate a socialist market economy, its economy is in a sustained, rapid, and healthy development [chi xu kuai su he jian kang di fa zhan 2170 4958 1816 6643 0735 0256 1660 4104 4099 1455]. He noted that he, like the vast number of Overseas Chinese, has profound confidence in the motherland's bright future.

President Jiang Zemin talked cheerfully and humorously. His speech was repeatedly interrupted by warm applause from the representatives. The meeting was filled with a lively atmosphere.

Qian Qichen, vice premier and foreign minister; Shen Yunao PRC ambassador to Brazil; and Xu Shaohai, Chinese consul general in Sao Paulo, were present at the meeting.

Jiang on Shanghai, Sao Paulo Ties

OW2611040893 Beijing XINHUA in English 0352
GMT 26 Nov 93

[Text] Sao Paulo, November 25 (XINHUA)—Chinese President Jiang Zemin today called for a closer relationship between Shanghai and Sao Paulo, respectively the largest cities of China and Brazil.

At a banquet given by Governor Luis Antonio Fleury of Sao Paulo, Jiang said the exchange between China and Sao Paulo can be traced back to as early as the 19th century when Chinese farmers first arrived here.

Since the establishment of diplomatic relations between China and Brazil, Sao Paulo is one of the regions in Brazil

which have witnessed the most frequent exchange with China, said Jiang, who is on a six-day tour of the South American country.

He expressed the hope that Sao Paulo and Shanghai as well as other Chinese cities will enhance mutual understanding through increased contact and look to the future in promoting cooperation.

Governor Fleury said that the government of Sao Paulo and the business circle would do their best to forge closer ties with China.

He hoped to visit China at an early date to see personally the country's economic achievements.

Fleury said that he would go to China together with a delegation of Brazilian businessmen to search for areas of cooperation with that country.

Jiang Promises Increased Trade

HK2611080293 Beijing CHINA DAILY in English
26 Nov 93 p 1

[By our staff reporter: "Imports to Reach \$450b in Five Years"]

[Text] Sao Paulo—China's total import volume is expected to reach \$450 billion in the next five years, visiting Chinese President Jiang Zemin said in Sao Paulo yesterday afternoon.

"China is going to increase imports while continuing to expand exports," Jiang told the Industrial Association of Sao Paulo, which produces one-third of Brazil's industrial output.

The country will "continue to improve investment environment and speed up the establishment of a new foreign trade system," he added.

In the 1990s, China will more actively promote agriculture, basic industry, pillar industry and export-oriented industry while pursuing a number of extremely large projects, Jiang said.

"This will provide an opportunity for investors and entrepreneurs in the world," said Jiang, who invited Brazilian entrepreneurs to invest and open factories in China.

Sao Paulo is the biggest industrial city in South America and a sister city of Shanghai, the largest city in China.

"I believe that the co-operation between Shanghai and Sao Paulo will be further promoted," said Jiang, once mayor of Shanghai himself.

In the morning Jiang visited the Tests and Integration Laboratory of the National Institute for Space Research.

The institute and the Chinese Academy of Space Technology have been jointly building earth-resource satellites since 1988. The first satellite is scheduled to be launched in October 1996.

"The co-operation between the two countries will create miracles," Jiang said.

Daily Links Jiang Visit to Latin American Trade

HK2611083693 Beijing CHINA DAILY in English
26 Nov 93 p 2

[By our staff reporter Wang Yong: "Jiang in Trade Booster"]

[Text] President Jiang Zemin's visit to Brazil will help spawn more bilateral economic agreements with Latin America, officials say.

China is negotiating with Brazil, Peru, Chile and Uruguay to establish mutual investment protection protocols, said Wang Zhiqian, deputy director general at the Minister of Foreign Trade and Economic Co-operation (Moftec).

He said several Latin American nations are seeking agreements to avoid double taxation with China.

"This will place Sino-Latin American trade relations on a sound, legal basis," he added.

China and Brazil clinched two agreements on Tuesday [23 November] to promote iron ore trade and the peaceful use of space technology.

The package will boost China's investment in Brazil's iron resources through joint ventures and imports.

And Wang said China was considering setting up large iron ore and timber processing factories, but details were not available.

He also said many Chinese enterprises plan to open direct ocean routes to Latin American countries on the Pacific rim to improve two way investment and trade.

In the past, poor transport has held back bilateral economic collaboration.

The China Ocean Shipment Corporation (Cosco) opened its first direct ocean route to Latin America four years ago, but it has anchored only in Brazil, Argentina and Uruguay until now.

Wang admitted transport was problem which could not be tackled overnight.

But he suggested both sides give their businesses more export credit and promote bids for each other projects.

Brazilian businesses are bidding for a \$700 million dam project in China, according to latest reports.

And Brazilian officials have predicted trade with China may reach \$1 billion this year.

Chinese figures show exports to Latin America last year hit \$1.07 billion, making up 0.8 percent of the region's total imports.

Cuba, Mexico, Panama, Chile and Argentina each imported more than \$100 million from China.

And in the first nine months of this year, China's exports to the region increased to \$1.18 billion, up 69 per cent over the same period last year.

Argentina is scheduled to send a high-level trade delegation to China early next month, sources disclosed. China has targeted Latin America as a top priority to diversify its markets overseas.

Wang said the region has vast trade potential as it is politically stable and has lower tariffs and free trade.

Wang said Latin America's exports to China last year were \$1.9 billion about 2.3 per cent of China's imports.

Qian Qichen Holds News Conference in Brazil

OW2511131593 Beijing XINHUA Domestic Service in Chinese 0851 GMT 25 Nov 93

[By Ma Shengrong (7456 0524 2837) and Huang Yong (7806 0516)]

[Text] Brasilia, 24 Nov (XINHUA)—Qian Qichen, Chinese vice premier and foreign minister who is accompanying President Jiang Zemin on a visit to Brazil, said here today: "Both Brazil and Cuba are important countries in Latin America. President Jiang Zemin's current visit to the two countries has fulfilled the goal of enhancing mutual understanding and promoting mutually beneficial cooperation."

At a news conference held prior to the departure of President Jiang Zemin and his entourage from Brasilia for visits to other parts of the country, Qian Qichen said: "Developing cooperation with Latin American countries constitutes an important component of our country's foreign policy. The Chinese Government attaches great importance to developing relations of friendship and cooperation with Latin American countries and regards cooperation with them as an important part of South-South cooperation. Enhancing dialogue and cooperation with Latin American countries under the present international situation is of great significance." He stressed that there are broad prospects for cooperation between China and Latin American countries.

He said: "It is particularly necessary to note that Brazil, being the largest country in Latin America, has great potential for economic development. China is the largest developing country, and its economy is growing at a sustained high speed. Cooperation between China and Brazil is of great significance."

When asked by a reporter about China's policy toward Cuba and its view of the embargo against it, Qian Qichen said that Cuba was the first Latin American country to establish diplomatic relations with China and that they have forged a good relationship over a long period of contact. Although there have been twists and turns in bilateral relations, these problems are now all history. China and Cuba have now established a normal relationship on the basis of the Five Principles of Peaceful Coexistence. He said that China does not approve of [bu zan cheng 0008 6363 2052] embargoes against Cuba. During a recent discussion of this question at the UN General Assembly, the majority of countries stood for lifting the embargo against Cuba.

On the significance of the Seattle meeting and the Asia-Pacific Economic Cooperation [APEC] forum, Qian Qichen said that the recent APEC ministerial meeting and the informal APEC leadership conference will be helpful in strengthening economic cooperation among its members. But, one cannot assume that APEC will become an economic community right away; the organization should suit the diversity of the region. The flexibility now demonstrated by APEC in its current forum form is conducive to regional economic cooperation.

In answering a question on relations between Mainland China and Taiwan, Qian Qichen said: There is only one China, and Taiwan is part of China. We welcome Taiwan compatriots to invest in the mainland. About 5 million Taiwan compatriots have visited the mainland in recent years, and one member from each family in Taiwan has visited the mainland. The number of people visiting the mainland this year may reach 1.5 million. The exchange of visits between the two sides will serve the cause of China's reunification, but the problem now is that the Taiwan authorities have erected many obstacles against mainlanders visiting Taiwan.

In response to a reporter's question on Taiwan's attempt to return to the United Nations, Qian Qichen said: Since the restoration of China's UN membership and the expulsion of the Taiwan authorities from the world body in 1971, more and more countries have recognized the People's Republic of China, and fewer and fewer countries have recognized Taiwan. No country in Asia recognizes Taiwan. In Europe only the Vatican recognizes Taiwan. Three or four countries in Africa recognize Taiwan, and some countries in Central America still recognize Taiwan. The proposal by some Central American countries on Taiwan's return to the UN has been rejected by most of the UN members. The UN secretary general recently reiterated that the issue of Taiwan's membership had already been settled forever, legally and practically, at the UN General Assembly in 1971.

When asked about China's views on the reform of the UN Security Council and Brazil's participation in it, Qian Qichen said: "Because of the profound changes in the world situation, the reform of the United Nations and the Security Council are necessary and imperative. The matter of enlarging the Security Council is under discussion, and the UN secretary general has been asking the opinions of various countries. I believe that an enlarged Security Council should include developing as well as developed countries and take into consideration the regional balance. These principles are under discussion." He said: "It is understandable that Brazil, as a large country in Latin America, is ready to contribute to the international community."

Column Views Cuban Efforts To Open Economy

HK2511081193 Hong Kong TA KUNG PAO in Chinese 24 Nov 93 p 3

["Political Talk" column by Shih Chun-yu (2457 0689 3768): "Jiang Zemin Stayed in a Hotel in Havana"]

[Text] Chinese Head of State Visits Cuba for the First Time

After the Sino-U.S. summit in Seattle, President Jiang Zemin visited Cuba and Brazil. That was the first official visit to Cuba by a Chinese head of state, and he was cordially welcomed at Havana Airport by Castro and several thousand well-wishers; this was sufficient to show Cuba's heartfelt joy for the visit by a Chinese guest who had come from afar.

Although Jiang Zemin's trip to Cuba lasted only 20 hours, it was a great boost to the morale of the Cuban people.

Everyone knows that Cuba is in a very difficult situation these days; in particular, its economy is truly an embarrassment. With the disintegration of the Soviet Union, the only "patron saint" that had been giving it economic aid melted like an iceberg. Being embargoed by the United States for a long time, and based on the planned economy arranged by the Soviet Union and Eastern Europe, Cuba could only produce edible sugar, and imported "everything" from the Soviet Union; in particular, it relied on the Soviet Union for oil.

Gorbachev came to power in the mid-1980's, and the Soviet Union could not even take care of itself; therefore, it systematically cut aid to Cuba, and Cuba's economic weakness suddenly became apparent.

Cuba is a large island state in the Caribbean Sea, not far from Miami across the sea. Although it has a good climate, beautiful scenery, and abundant tourist resources, under the planned economy, it was not able to give play to its strong points. It held a golden rice bowl but bowed to other people. The "big socialist family" has really dealt a severe blow to Cuba.

Timely Help Has Extraordinary Meaning

Jiang Zemin's visit to Cuba should be regarded as providing timely help to someone in need. This "help" does not mean taking care of everything through aid to Cuba. This is one thing that China will no longer do. In the past, China provided economic aid to Albania, Romania, and some other countries, and the result was that the ordinary

Chinese people had to tighten their belts, whereas the countries receiving the aid did not display any of the predicted effects.

Today, the most beneficial "support" that China can give Cuba is to share China's experience in reform and opening, strengthen actual economic exchanges between the two countries, and expand trade between them. Cuba will increase sugar exports to China; by 1994, the trade volume between the countries will hopefully reach \$420 million. This will enable China to become Cuba's main trading partner.

Develop the Tourist Industry and Attract Foreign Funds

Cuba has suffered from its ties with the Soviet Union for a long time. In the 1960's, Khrushchev shipped some missiles to Cuba, and this caused a Soviet-U.S. crisis in the Caribbean Sea, but Cuba was innocent. Thereafter, Cuba's economy relied on the Soviet Union for a long time. China and the Soviet Union did not get along well for quite some time, and Cuba, under pressure from Moscow, drifted away from China. It did not matter to the Chinese if they could not eat bullfrogs from Cuba or smoke Havana cigars, but Cuba became more isolated.

This time Castro awarded Jiang Zemin the Jose Marti Medal, the highest in Cuba. This represented the feelings of the Cubans toward China. Relations between the two countries have undergone twists and turns for several decades, and, today, they have really understood each other and cooperated with each other.

Jiang Zemin, as a national guest, did not stay in the guest house reserved for heads of state, but checked into the grand national hotel. It has been revealed that this was a special arrangement by Cuba, who intentionally broke the prevailing practice. The grand national hotel is Havana's top-level international tourist hotel, and Cuba is working hard to develop its tourist industry. Jiang Zemin's stay in this first-class hotel in Havana can be viewed as a shot in the arm to Cuba's tourist industry.

Today, Cuba is opening with its tourist industry. It is attracting foreign funds to develop its economy, and there are signs that its relations with the United States are beginning to thaw. Such a change in the Caribbean Sea cannot be ignored.

Political & Science

Li Peng Addresses Anticorruption Meeting

OW2511232793 Beijing XINHUA Domestic Service in Chinese 1031 GMT 25 Nov 93

[By Zhong Yang People's Broadcasting Station correspondent Luo Guanxing (5012 6034 2502) and XINHUA correspondent He Ping (0149 1627)]

[Text] Beijing, 25 Nov (XINHUA)—The State Council held an anticorruption discussion meeting in Beijing today. Addressing the meeting, Premier Li Peng stressed: All departments must deepen the anticorruption struggle in accordance with Comrade Deng Xiaoping's call for simultaneously "grasping two links" and attaching importance to both under the guidelines in Volume 3 of *Selected Works of Deng Xiaoping*; in the documents of the Third Plenary Session of the 14th CPC Central Committee; and in an important speech made by Comrade Jiang Zemin at the Second Plenary Session of the Central Discipline Inspection Commission. In planning their work for next year, all departments should live up to the expectations of people across the country by further deepening the anticorruption struggle.

The purpose of the State Council in holding this meeting is, with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as a guide, to implement the guidelines of the Third Plenary Session of the 14th CPC Central Committee; to exchange successful experiences in the anticorruption struggle; to examine and push forward the fight against corruption in various departments; and to study new situations and problems which have emerged in the anticorruption struggle in order to ensure the implementation of the decision of the party Central Committee and the State Council on the fight against corruption, in order to deepen the anticorruption struggle and the building of a clean and honest government, and in order to ensure notable periodic results in the fight against corruption will be achieved in the near future.

Attending the meeting were Vice Premier Zou Jiahua and State Councillors Li Tieying, Song Jian, Chen Junsheng, and Luo Gan. Also taking part was Wei Jianxing, member of the CPC Central Committee Political Bureau and secretary of the Central Discipline Inspection Commission. The meeting was presided over by State Councillor Li Guixian.

At the meeting Han Zhubin, Liu Jiang, and Shi Dazhen as well as responsible comrades from the Ministries of Railways, Agriculture, and Power Industry addressed the meeting respectively. In their speeches, they briefed the meeting on what the three ministries, guided by the unified plan of the party Central Committee and the State Council, have learned from launching an anticorruption struggle; on the measures taken in this regard; on the initial results achieved; and on the points to be paid attention to in the subsequent fight against corruption.

It has been learned that in the struggle against corruption, the Ministry of Railways has succeeded in checking the

problem of using trains and tickets to seek personal gain as well as the problem of indiscriminately collecting fees or increasing additional fees; the Ministry of Agriculture has done solid work in reducing the peasants' burden after conducting "100 county, 10,000 household" investigations in eighteen provinces to look into the peasants' burden; and the Ministry of Power Industry has done a great deal of work by deepening investigations and studies and by drawing up practical measures to check the unhealthy practice of "taking advantage of electric power to seek personal gain," a problem strongly criticized by the masses.

After hearing reports by the three departments, Li Peng pointed out: Since important arrangements made by the party Central Committee and the State Council recently on the struggle against corruption, various departments have taken a firm attitude and prompt action and have done a lot of work. Leading cadres have self-examined themselves and corrected inappropriate practices in accordance with the five requirements for insuring honesty and cleanness in performing official duties, some big and serious cases have been investigated and handled, a number of unreasonable items in the collection of fees have been successively canceled in light of actual conditions of respective departments, and the work of stopping the use of public funds for pleasure trips to foreign countries (places outside the mainland) in the name of official travel is being stepped up. Generally speaking, most of the functionaries of various departments under the State Council are clean and honest. The trend of the current anticorruption struggle is good, and good results have been achieved in some departments.

Li Peng said: While affirming our achievements, we must also soberly understand the anticorruption struggle is long-term work, the task is quite arduous, and we must continue the work in a persistent manner. The recent anticorruption work is just the beginning. The results are still far from satisfying the masses' demand and reaching the step-by-step goals set by the party Central Committee and the State Council. The results of the work in various departments are still uneven, and some departments and units have not made adequate efforts to tackle the problem.

To truly implement the decision of the party Central Committee on the struggle against corruption and insure significant and step-by-step [jie duan xing 7132 3008 1840] achievements, Li Peng put forward the following requirements:

—It is necessary to further unify our thinking, raise our understanding, and strengthen our determination and confidence in the current anticorruption struggle. Li Peng pointed out: Strengthening our efforts to build an honest government and opposing corruption are necessary conditions and important guarantees for the establishment of a socialist market economic structure, and are also very important tasks which are related to the success or failure of our cause of reform and the fate of our party and country. Therefore, we must effectively

and firmly grasp those tasks. At present, a good number of masses lack confidence in our struggle against corruption. To solve the problem of the masses' lack of confidence, the key lies in the determination of leading cadres, in whether the leading cadres will truly tackle the problem in a solid manner and in whether the leading cadres can achieve practical results. Therefore, we must, first of all, solve the problem of ideological understanding of leading cadres at various levels, especially the principal leaders. We should arm our minds with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, persist in "grasping two links and placing equal importance on both," and incorporate the anticorruption struggle work into the overall task of promoting reform, opening up, and socialist modernization. We must not set the anticorruption struggle against reform, opening up, and economic construction. We must overcome the wait-and-see attitude and fear of difficulty, unify our thinking, raise our understanding, and take a firm attitude and concrete action to implement the decision of the party Central Committee and the State Council on the current anticorruption struggle.

—It is necessary to painstakingly organize and lead the anti-corruption work, concentrate our efforts to tackle the problem, and achieve actual results. Li Peng said: After this meeting, various departments should check the situation of the anti-corruption struggle waged by respective departments, see if the leading cadres' ideology and work are correct, whether various tasks and measures have been carried out, and the gap between their achievements and the step-by-step goals. On this basis, leading cadres should further understand the key tasks in the next phase and formulate appropriate measures. They should establish a strict responsibility system, grasp the opportune time, and be sure to achieve significant step-by-step results in the current anticorruption struggle. No departments or units should be allowed to wage the struggle perfunctorily. Leading cadres's self-examinations and self-corrections in accordance with the five requirements should be circulated among cadres of respective departments, and they should accept the masses' evaluation and supervision. Those departments and units, where self-examination and self-correction are not carried out properly and where the masses are not satisfied with the results of self-examination and self-correction by leading cadres, should seriously improve the situation by the end of this year. Mistakes discovered in examination and inspection should be handled and corrected in accordance with the requirements of the party Central Committee, and those mistakes must not be allowed to be repeated while making corrections. Leading cadres at various levels must be clean and honest. Making concentrated efforts to investigate and handle some big and serious cases is an important content in punishing corruption, and is also an important standard in judging the results of the anticorruption struggle by the broad masses of people. Various departments must strengthen their leadership over the work, and strictly investigate and handle cases

involving the violation of party and government discipline. Those who commit crimes must be severely punished in accordance with the law.

On the issue of stopping the random collection of fees and effectively reducing the burdens of enterprises and the people, especially the peasants' burdens, we must make further progress and must not fall back. We must take a resolute attitude. We should continue to straighten out the problem. Those fees which should be cancelled must be announced promptly, and those items which have been announced for elimination must be cancelled down to the grass-roots level. As for those departments and units which do not follow the guidelines or commit mistakes again while taking corrective measures, their practices should be circulated, criticized, and handled in a strict manner. Concerning the problem of using public funds for pleasure trips to foreign countries (places outside the mainland) in disguise, we must handle them in a serious manner according to regulations and firmly stop such a practice. Concerned departments should continue to make special efforts to effectively correct unhealthy practices in various trades and solve their conspicuous problems. Meanwhile, it is necessary to make greater efforts in publicizing and reporting cases of corruption and cases of being clean and honest in performing official duties. Good cases and examples should be commended, and typical bad cases should be exposed. We should give full play to the role of supervision by public opinion.

—It is necessary to closely integrate the anticorruption struggle with the building of a clean and honest government. Li Peng pointed out: It is necessary to make concentrated efforts over a certain period to struggle against corruption. However, to fundamentally stop the occurrence and prevalence of a corrupt situation, we must strengthen the legal system; have government organs and their functionaries, especially leading cadres, make self-examination and observe discipline; and improve the mechanism of supervision over cadres' cleanness and honesty. We should strive to solve the problem through a good system and mechanism. During the preceding period, various departments encountered some specific problems in severing ties with economic entities set up by those departments, separating accounts of revenues and expenditures and stopping random collection of fees. Concerned departments of the State Council should find methods to solve those problems in a prompt manner and formulate appropriate policies and rules. Various concerned departments should further improve related rules and regulations in light of problems discovered and exposed during examination and inspection. We should educate people on vocational ethics; oppose individualism, hedonism, and money worshipping; and advocate collectivism, patriotism and a spirit of dedication to improve the overall quality of cadres, staff members, and workers. In the course of further changing the functions of the government and carrying out new reform measures, we should at the same time think about the need for opposing corruption and strengthening the building of

an honest government, establish a sound and appropriate mechanism of supervision, and formulate suitable policies and measures to guard against the emergence of a new corruptive situation and unhealthy practices in various trades. While grasping the current anticorruption struggle, we should think about the tasks and measures for the anticorruption struggle in the first half of next year in order to consolidate and expand this year's achievements and promote in-depth development of the anticorruption struggle.

—During the period of the New Year and Spring Festival, leading cadres at various levels should pay particular attention to self-discipline and being clean and honest so as to set good examples for others. Li Peng said: The 1994 New Year and Spring Festival will come soon. Whether we can create a new style of being clean and honest and spend a clean and happy New Year and Spring Festival or not will depend upon an examination of the results of our current anticorruption struggle. Various departments under the State Council should set good examples, and must make great efforts to simplify meetings and celebration and commendation activities. Unnecessary meetings must not be held, and necessary meetings should be held in a simple and frugal manner. Using public funds for feasting and extravagance and waste must be stopped and opposed. Presenting and accepting gift money or certificates must be banned. Higher units must not accept special and indigenous products from their subordinate units, and central state organs must not accept special and indigenous products from various localities. Using public funds for expensive recreational activities should also be forbidden. Various departments should publicly announce the above-mentioned five guidelines to all their cadres, and promptly inform units under their jurisdiction, including concerned departments of various provinces, autonomous regions and municipalities, to strictly implement those guidelines. The general offices of the CPC Central Committee and the State Council will issue a special circular on this matter. Those who commit mistakes again after being rectified should be heavily punished, and the concerned leading members should be held responsible for such situations.

Responsible comrades of various ministries, commissions, organizations, and undertakings [shi ye dan wei 0057 2814 0830 0143] directly under the State Council attended today's discussion meeting.

Beijing Reports Return of Two Catholic Bishops

Bishops 'Disappeared' in 1990

HK2611032093 Hong Kong HSIN PAO in Chinese
26 Nov 93 p 10

[Report: "Beijing Confirms the Release of Two Elderly Bishops"]

[Text] An official from the religious affairs authority in China has announced that two elderly bishops who were loyal to the Vatican have returned home. They disappeared in late 1990.

The spokesman for the Religious Affairs Bureau of Hebei Province in Shijiazhuang said in a telephone interview that the two bishops had returned to their homes in Xushui County of Hebei.

He did not reveal further details.

The two bishops are 73-year-old Chen Jianzhang (transliteration) and Shi Enxiang (transliteration), also in his seventies.

They disappeared in late 1990, and it was believed that they were detained in a labor correction camp or in a government-run old age home.

On Kohl's 'List'

LD2611115293 Berlin DDP in German 1054 GMT
26 Nov 93

[Text] Bonn (DDP)—Following Chancellor Helmut Kohl's visit to the People's Republic of China, the Chinese authorities have released two Catholic bishops who have been imprisoned since December 1990. The names of the two bishops were on a list which Kohl presented to Chinese Premier Li Peng a week ago, government spokesman Dieter Vogel told reporters in Bonn today. Vogel spoke of a "positive sign for the continuation of the human rights dialogue" with China.

Reportage on Detained Hong Kong Reporter

Security Minister Views Case

HK2511062493 Hong Kong CHING PAO in Chinese
No 11, 5 Nov 93 p 21

[By Xu Simin (1776 0934 3046), Chinese People's Political Consultative Conference Standing Committee member: "A Conversation With Jia Chunwang on the Case of Hsi Yang"]

[Text] I learned from the radio about the Beijing authorities' arrest of Hong Kong MING PAO correspondent Hsi Yang for interrogation on my way back to the Hong Kong and Macao Center after meeting with Premier Li Peng at the Diaoyutai State Guest House in Beijing on 27 September.

On 4 October I again went to Beijing to attend the Third Standing Committee session of the Eighth Chinese People's Political Consultative Conference [CPPCC]. At a 6 October panel meeting, I made a speech entitled "How We Should Treat Hong Kong Reporters," in which I described three scenarios for Hsi Yang's case: 1) He was working for foreign intelligence organs and was collecting information on the mainland; as such he would not be engaged in normal journalistic activities; 2) he made mistakes—or even broke mainland law—in reporting for MING PAO; and 3) no evidence of wrongdoing could be uncovered during the interrogation. I said that, if it was the first scenario, I would demand a public trial, so that his family and employer can attend the trial and hire lawyers to defend him. If it was the second scenario, then consideration should be given the aggressive spirit of Hong Kong

reporters in covering news. If Hsi Yang did break mainland laws unintentionally while doing his job, he should be treated with leniency; it would be enough to put him through criticism and education. The Hong Kong media would be grateful for getting what they hoped for in Hsi Yang's case. If it was the third scenario, Hsi Yang should be released immediately; moreover, the authorities concerned would owe him an apology. I requested that the standing committee write up my speech as an "express report" to be sent to the relevant party and government leaders. Thanks to the assistance of Madame Lu, the deputy director of the CPPCC Legal Committee, the "express report" was dispatched without a hitch.

On 9 October, with the help of Premier Li Peng and Director Lu Ping, I was able to meet and talk to State Security Minister Jia Chunwang. The conversation was friendly and smooth. During the conversation, I eliminated the possibility of the first scenario in Hsi Yang's case. Minister Jia said: "At the time being, there is no evidence" (meaning evidence supporting the first scenario). I indicated the general concern among Hong Kong media workers at the difference between Hong Kong and mainland reporters in work style and asked Minister Jia to show understanding and consideration for Hong Kong reporters' aggressive approach to covering the news. Minister Jia pointed out that, in the case of doing a story on the People's Bank of China, the normal coverage procedure dictated that the first person who the reporter should interview is the bank president or persons authorized by the president; it would be illegal to make unauthorized contacts with bank employees for an interview. Moreover, the news that was released had already caused economic losses to the state. Minister Jia hoped that Hong Kong reporters would observe mainland law when covering news on the mainland. He acknowledged my requests and promised to tackle the case as soon as possible after studying it.

On 11 October, that is, after I returned to Hong Kong, I again asked, through the good office of Director Lu Ping, Minister Jia to handle Hsi Yang's case with leniency and as soon as possible.

Allowed To Meet Father

HK2511095693 Hong Kong MING PAO in Chinese
25 Nov 93 p 2

[Text] MING PAO reporter Xi Yang, who is still detained by the Ministry of State Security, met one of his family members a few days ago. The latter was quoted as saying Xi Yang is in rather good shape and spirits.

As arranged by the Ministry of State Security, Xi Yang's father was allowed, on 23 November, to meet Xi Yang the first time in the last two months. They had a good, heart-to-heart talk for about 30 minutes. Xi Yang's father said: Xi Yang is in rather good shape and spirits and has been given quite good board and lodging, only he looks pale.

Beijing, Xian Dissidents Form Joint Movement

HK2611073093 Hong Kong AFP in English 0702 GMT
26 Nov 93

[Text] Beijing, Nov 26 (AFP)—Members of the "Charter for Peace" founded this month in Beijing and their counterparts in the central Chinese city of Xian, have met for the first time and decided to form a joint human rights movement, they said Friday [26 November]. "We haven't created a political organisation, but we have decided to spread our movement to all levels and throughout the country," Zhou Guoqi, one of the signatories to the Peace Charter told AFP by telephone.

The meeting between the two groups in Beijing Thursday included former student leader of the 1989 pro-democracy movement Ma Shaohua. The groups agreed to join forces to push for human rights in China "in a legal and non-violent manner." The groups hope to foster political debate, Zhou said.

Daily Carries Part 2 of Dissident's Letter

HK2511081593 Hong Kong LIEN HO PAO in Chinese
20 Nov 93 p 10

["Letters Written in Prison" by Wei Jingsheng (7614 0079 3932): "Letter to Jiang Zemin and Li Peng Written on 15 March 1991 (Part 2 of 2)"; Part 1 was published in the Political & Social section of the 23 November China DAILY REPORT, pages 29 and 30.]

[Text] Mistreatment of Political Prisoners Breeds Catastrophe

Prisons in China are already well-known for their mistreatment of prisoners. Political prisoners are mistreated in two more ways—mental pressure and living conditions. Why do you feel so at ease and justified and remain so indifferent? Do you mean to say that this backtracking in history is conducive to your "unity and stability?" If so, it is necessary to examine what kind of stability you mean and whether such stability can be achieved. Not only was the stability of the fascists achieved at the cost of greater social agony but it also bred greater catastrophes and instability. I am not talking about philosophy. This is a historical experience; moreover, it happened not long ago. When watching television, I sometimes saw Communists and democratic people suffering together in a prison. I was really upset by the scene, because, at that time, they were surely not aware that, in the communist prisons of the "new society" for which they fought, the Communists and democratic people were even inferior to killers and robbers and they had to take their cue from rapists simply to survive. Just as the naughty young offenders said: "What are they struggling for? They are doing nothing, having eaten their fill." Not only the naughty young offenders but even their guards could not understand why they did those thankless things which had no use or value at all. This is the heart of the pitifulness of this nation. This is called "original sin" in the language of the priests and is the source of the pitifulness of a nation which eats steamed buns soaked with blood. (Note 1: The literary quotation of

"a nation which eats steamed buns soaked with blood" comes from Lu Xun's short story 'Medicine.' In the story, Lu Xun depicts the custom in some localities in the last years of the Qing Dynasty, under which plain steamed buns soaked with the blood of a beheaded criminal sentenced to capital punishment are used to cure tuberculosis victims.) Now that the goal of struggle is to forcibly take possession of political power, those who are destined to die naturally "are doing nothing, having eaten their fill." How much is the difference between those individuals who do not "find something to do after eating their fill" and those thieves who take forcible possession of other people's rights and interests? Martyrs are not understood just because people understand you. The way you have defined political prisoners has proven what you yourselves really are. In a society, only when internal hate is minimized and internal disputes are solved in as gentle [he huan 0735 4883] a way as possible can the greatest possible capabilities be brought into play and can people work for development and construction. The selection of the superior and the elimination of the inferior in the cultures of all nationalities in history is inseparable from this key law. Only when a mild approach is adopted can there be no future trouble, can people be sincerely convinced, and can disputes be solved fairly and reasonably. Compelling people to submission by using force is just postponing and accumulating disputes and will solve no problems. This is the fatal defect of pure rule by law (whose highest expression is fascism). The well-known ancient countries based on rule by law, Qin and Rome (it was called the Great Qin in ancient writings; the name is really very appropriate), were destroyed or exhausted by the gradually accumulated internal struggles. The reason for their downfall lies in compelling people to submit by using force. Being gentle and able to solve problems is the quintessence of Chinese political civilization represented by Confucius—the main substance of the Theory of Benevolence, or just as the words of a song say "if everyone gives a little love, this will become a wonderful world." This was why China could intermittently and steadily develop for such a long time over the last 2,000 years and represents one of the basic guarantees behind the ability of many nations in Europe and the Americas to achieve modernization.

As everybody knows, the modernization process in the West began only after its democratization process was started and initial results were achieved. Most of the pioneers of Western democracy studied and had great interest in Chinese culture, such as Voltaire, Montesquieu, Jean Jacques Rousseau, and Denis Diderot. The basic principles they advanced for democratization were characterized not only by freedom and equality but also by fraternity, which was more important than freedom and equality and which the preachers of Communism and people in the Orient found easiest to forget. In fact, this fraternity is precisely the French translation of the Theory of Benevolence, the quintessence of ancient Chinese political culture, (of course, it is the combined translation of its mixture with the fraternal spirit of the ancient Christian culture). Without the prevailing practice of treating others leniently on the basis of fraternity, it will be difficult for

society to solve its own indispensable conflicts in a gentle manner, and it will be difficult for the people to have ease of mind and devote greater energies to social development. Even if members of society can obtain greater freedom and equality, it also will be difficult to avoid the weakening of freedom and equality as internal conflicts expand simultaneously. The democratic system will be destroyed, just like the ancient democratic system based on pure rule by law. People often use "unity" and "fraternal love" together, because only with fraternal love can we begin to talk about unity. Otherwise, there will be indifferent stability and even hidden danger. Therefore, the so-called values or ideological substance, which are noninstitutional, or matters between system and theory—such as fraternity, human rights, benevolence, and prevailing practices—precisely constitute a line of demarcation between democratic and autocratic societies and are the mark of distinction between voluntary unity and stability achieved under pressure.

With Fraternal Love, We Can Begin To Talk About Unity

If the value of fraternity is discarded, any modern society based on rule by law will be like the autocratic societies of the Nazi and fascist types. In such a society, be it oriental or western, there cannot be the other two basic components of a democratic society—freedom and equality. With fascist values, one cannot begin to talk about "the choice of the peoples of various countries." In the absence of democracy, what is the point of talking about "the people's choice?" No people in any country will chose to be mistreated, enslaved, and exploited. This is also precisely the reason why the undemocratic society, which claims "to let the peoples of various countries make their own choices" is riddled with numerous contradictions and unable to develop itself.

Naturally, on no account can the establishment of a democratic social system in a society full of the illusions of small-scale peasant socialism be accomplished by taking one or two moves after somebody is overthrown. These Liangshan Lake hero-type illusions about small-scale peasant socialism—in which, once an iron-fisted strong man issued a single call, hundreds would respond and he would manage to ascend to the throne—brought about, in Chinese ancient times, the brutal regimes of Fan Chong, Wang Kuang and Wang Feng, Huang Chao, Li Zicheng, and the Taiping Heavenly Kingdom. In Western modern times, there emerged the brutal regimes of Adolf Hitler, Benito Mussolini, and Francisco Franco, and those of Joseph Stalin and Mao Zedong as well. I say it is an illusion precisely because the social system established in line with the small peasants' ideals is not full of fraternal love and freedom as they wished. Being subject to oppression, they gradually developed a strong vengeance mentality of replacing one tyranny with another, which can be fully expressed only in the brutal regime of the Hitler, Stalin, or Mao Zedong type. However, the price that the brutal regime asks the small peasants to pay is a double agony. It is thus clear that the causality and retribution of the momentary gratification of abandoning the principles of

fraternity, freedom, and equality will last for many generations and will have a vicious chain reaction, leading to an endless avenging of wrongs and grievances against one another. Finally, the social nuclear warhead will explode, destroying the entire nation and civilization.

Waiting for a Response to the Fifth Modernization

For people who have a sense of justice, a conscience, and an ardent love for this country and this nation, it is time to emphatically reconsider showing more love and sowing less hatred and agony in this world and get rid of the cold-blooded and cruel "Nazi skulls [nao ke 5207 8199]" (the image of the Nazis in films and television) in the realities of life. Otherwise, this nation, which has nursed the modern civilization of mankind with its great spirit and practice of fraternity, will be ruined in the course of betraying its own outstanding culture. This is also the key element of the fifth modernization, which I advanced 12 years ago. To put it another way, without the modernization of man, modernization in all other aspects of endeavor will be nothing but a lie.

I will observe and await your responses while carrying out a hunger strike.

Officials Congratulate 'Noted' Writer on Birthday

OW2511161693 Beijing XINHUA in English 1503
GMT 25 Nov 93

[Text] Shanghai, November 25 (XINHUA)—Noted Chinese writer Ba Jin celebrated his 90th birthday here today.

As leading Poet Zhang Guangnian said in a letter of congratulations: "November 25 has become a red letter day in art and literature circles".

Over the past two days many of Ba's friends have visited him at home to deliver their best wishes.

Early this morning Ba found his drawing room decorated with bouquets presented by his friends and noted artists Xia Yan, Xiao Qian, Du Xuan, Zhang Guangnian and He Luting.

In the middle of the drawing room was a vase presented by Cao Yu, a veteran playwright, and the Chinese character for "longevity" outlined in roses presented by writer Bing Xin.

He told group after group of young people who came to express their birthday congratulations to him, Ba said, "I have always lived for my readers, and it is my readers who keep me alive."

His first book, "Goodbye, My Unfortunate Homeland" was written in 1927 while he was on his way to France, and for the past 66 years Ba has never ceased writing.

In spite of illness over the past few years, he has written his five-volume "Jottings" and edited the 26-volume "Complete Works of Ba Jin".

The first 17 volumes of the "Complete Works" have been published and the others are now being printed.

To mark his 90th birthday, the Huaxia Publishing house of Beijing held a ceremony marking the publication of the "Jottings" in Shanghai today.

On November 23 and 24 secretary of the Shanghai Municipal Party Committee Wu Bangguo and Shanghai Mayor Huang Ju visited Ba to deliver their congratulations. The veteran writer showed great interest in the reconstruction project for the Library of the Shanghai Association of Writers and the planned "Culture Street" on Fuzhou Road in Shanghai.

This afternoon Qian Zhengying and Dong Yinchu, vice-chairwoman and vice-chairman, respectively, of the National Committee of the Chinese People's Political Consultative Conference, made a special trip from Beijing to convey regards from Li Ruihuan, chairman of the CPPCC National Committee, to Ba.

Mao Zedong Film Critique Contest Begins

OW2411154693 Beijing XINHUA in English 1450
GMT 24 Nov 93

[Text] Beijing, November 24 (XINHUA)—A national critique contest focusing on films about Mao Zedong will begin soon to mark the centenary of the birth of the great founder of China, according to an announcement made by a top Chinese Film Society today.

The best critiques on films depicting Mao and his revolutionary partners will be selected across the country between this month and next May.

Films to be shown for the contest include "The Autumn Harvest Uprising," "The Jinggang Mountain," "The Negotiation in Chongqing," and "Our Great Leader Mao Zedong."

Local film companies and film critic associations will recommend good critiques to the national committee for the contest. The committee will invite noted film critics and other film experts to select the best ones.

Chen Huangmei, a famous Chinese literary critic, will take charge of the contest.

The contest will be conducted by the National Film Critique Association of China, the China Film Company and other film organizations.

Meanwhile, a tape entitled "Chairman Mao's Heart Is Linked to Those of the Chinese People of All Nationalities," was released recently.

The tape includes more than 20 songs sung by different Chinese ethnic nationalities.

Military

Liu Huaqing Commemorates He Long in Speech

HK2511081093 Beijing JIEFANGJUN BAO in Chinese
2 Nov 93 p 1

["Excerpts" of Vice Chairman Liu Huaqing's Speech at Forum Marking Publishing of *Biography of He Long* and Commemorating 97th Anniversary of He Long's Birth (1 November 1993)"]

[Text] Comrade He Long is a time-tested proletarian revolutionary and strategist, an outstanding leader of the party and country, and one of the founders of our Army. During the war years of revolution, Comrade He Long held the leading position in a strategic region for a long time and successively held the posts of army commander of the Fourth Army of the Chinese Workers' and Peasants' Red Army; commander in chief of the Second Army Group and concurrently army commander of the Second Army of the Red Army; commander of the Hunan-Hubei-Sichuan-Guizhou Military Region and chairman of the Hunan-Hubei-Sichuan-Guizhou Revolutionary Committee; commander in chief of the Second Front Army of the Red Army; division commander of the 120th Division of the Eighth Route Army; secretary of the Central Hebei Military and Political Committee; commander of the Northwestern Shanxi Military Region; commander of the Shanxi-Suiyuan Military Region; commander of the Shaanxi-Gansu-Ningxia-Shanxi-Suiyuan Joint Defense Forces; and commander of the Northwest Military Region. He creatively combined the principles and policies of the party's Central Committee and the Central Military Commission with actual local conditions, exercised leadership in the building of revolutionary bases and armed forces, and successfully waged the struggle against the enemy. He fought the enemy heroically, tactically, and indomitably through innumerable hardships and performed brilliant meritorious deeds for the revolution. His military practice and experience have made important contributions to the enrichment and development of Mao Zedong Military Thought. After the founding of New China, He Long held the leading posts of member of the Political Bureau of the CPC Central Committee; vice premier and concurrently minister of the State Physical Culture and Sports Commission; vice chairman of the Central Military Commission and concurrently minister of the Commission of Industry for National Defense, and so on. He was once in charge of the routine work of the Central Military Commission. His spirit of persisting in integrating theory with practice and seeking truth from facts, his hard work, and his style of stressing actual results have made indelible contributions to China's socialist construction, to the revolutionized, modernized, and regularized building of the People's Liberation Army, to the construction of an independent and comprehensive defense industry, and to the development of sports in China.

Revolutionaries of the old generation, including Mao Zedong, Zhou Enlai, Zhe De, among others, spoke highly of the immortal historical feats and noble character of Comrade He Long, and the entire party, Army, and people respect and cherish the memory of him. Today, it is of vital and practical significance to commemorate Comrade He Long and publicize his revolutionary spirit and fine character under the present new situation of persisting in reform and opening up, focusing our work on economic construction, and establishing a socialist market economic structure. We must take Comrade He Long as an example. Under the guidance of Comrade Xiaoping's theory of building socialism with Chinese characteristics and the leadership of the party's Central Committee and Central

Military Commission with Comrade Jiang Zemin at the core, we should unwaveringly carry out the party's basic line, forge ahead in high spirits, and strive to fulfill the missions for the modernization of national defense and for the building of a powerful modernized and regularized revolutionary Army, which was entrusted to us by the party and people. This is the best thing we can do in memory of Comrade He Long.

Circular Urges PLA To Study Plenum Spirit

HK2511044293 Beijing JIEFANGJUN BAO in Chinese
18 Nov 93 p 1

[Report: "The General Political Department Issues a Circular Urging the Whole Army To Earnestly Convey and Study the Spirit of the Third Plenary Session of the 14th CPC Central Committee"]

[Text] Beijing, 17 Nov (JIEFANGJUN BAO)—In a circular issued the other day, the General Political Department has made arrangements for conveying and studying the spirit of the third plenary session of the party's 14th central committee throughout the Army. It calls on party committees and political organs at all levels to conscientiously organize Army units in studying the "Decision of the CPC Central Committee on Some Issues Concerning the Establishment of a Socialist Market Economic Structure" approved by the plenum. Leading cadres should study well General Secretary Jiang Zemin's important speech at the plenum.

The circular points out: As a meeting of great historic significance, the Third Plenary Session of the 14th CPC Central Committee will have a major and far-reaching influence on China's reform and construction. In line with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, the "Decision" has systematized and embodied the targets and principles of the economic restructuring defined by the 14th party congress. It is an overall plan for building a socialist market economic structure in China as well as a program of action for conducting economic restructuring in the 1990's. Seriously conveying and studying the spirit of the plenum is of extreme importance to further unifying the ideas of the whole Army and profoundly comprehending and resolutely implementing the party Central Committee's strategic policy decision and series of principles and policies on developing a socialist market economy.

The circular calls on all Army comrades to correctly understand the new situation and tasks facing China's economic structural reform, to have a clear understanding of the historic necessity and urgency of establishing a socialist market economic structure, and to increase their confidence in building socialism with Chinese characteristics. It calls on them to profoundly comprehend and grasp the basic framework and essential content of the socialist market economic structure, to unwaveringly uphold the party's basic theory and line, and to maintain a high degree of ideological and political unity with the party Central Committee. It urges the Army comrades to carry forward the glorious tradition of putting overall interests first and

assiduously doing pioneering work, to make conscientious efforts to step up party building, and to further promote army building comprehensively.

The circular calls on party committees and political organs at all levels to meticulously organize Army units in conveying and studying the spirit of the plenum, to integrate the study of plenum documents with that of Volume 3 of *Selected Works of Deng Xiaoping*, and to regard this as an important aspect of the cadres' theoretical studies. Leading cadres should do a good job in giving guidance and explanations to Army units so as to help grass-roots cadres and soldiers comprehend the basic spirit of the "Decision." Propaganda and theoretical departments should attach importance to studying and answering ideological and theoretical issues raised by Army units in the course of their studies.

'On-the-Spot Report' on First Atomic Explosion

OW2411033293 Beijing XINHUA Domestic Service in Chinese 1204 GMT 29 Oct 93

["An On-the-Spot Report on the Explosion of the First Atomic Bomb"—From the Essay Contest 'The Number One of New China,' by Ci Aimin (1964 1947 3046) and Peng Ziqiang (1756 1311 1730)]

[Text] Beijing, 29 Oct (XINHUA)—We knocked lightly at the door of a house in Beijing's Xicheng District, and an energetic-looking elderly man with long white beard appeared before us. He was General Li Jue, who was the director of the China Nuclear Weapons Research Institute in the 1960's.

The name Li Jue has never been heard by many people because what he did during quite a long period was kept top secret. But his name is destined to be written in history and will never be forgotten.

"Our revered Mr. Li, could you tell us something about the on-the-spot happenings of the detonation of China's first atomic bomb?"

"Oh, that was a spectacular instant, one brighter than 1,000 suns. The sky was filled with bizarre and fantastic colors; it looked so magnificent," said Li Jue, suddenly looking like an inspired poet. Twenty-nine years have passed since then, but to Li Jue, everything still seemed so clear and lively, as if those things were not that far ago, as if they had just happened yesterday....

The sky was clear and cloudless on the morning of 16 October 1964, and a tense and solemn atmosphere loomed over Lop Nur, which had lain in the wilderness and emptiness for thousands of years.

"Lift!" Amid the roar of the hoister, the first atomic bomb made by the Chinese people—it was seated squarely in a hung basket—was being slowly lifted to the tower. The blood and sweat of hundreds of thousands of people were condensed in the thing in the metal basket, which, like an awe-inspiring god, was about to take a historic flight from China's most desolate and mysterious piece of territory.

The 102-meter steel tower stood defiantly amid the rays of the morning sun. On the top of tower was a small metal cage. The atomic bomb lay quietly inside the cage. Nearly one hundred kinds of effect-sensitive materials to be used to record the atomic bomb's great power and the extent of the damage that the bomb would cause were placed radially within an area of 60 square km around the tower. These materials included airplanes, warships, artillery pieces, tanks, vehicles, bridges, railroads, wartime fortifications, civilian houses, mice for experimental purposes, and various kinds of test instruments.

A sample-collecting plane was filled up with fuel and stood by at Malan Air Field. Once the atomic bomb was detonated, the plane would immediately soar above the clouds.

The entire Lop Nur area was quietly waiting for the moment that would shock the world.

As early as July 1964, the Central Military Commission set up a committee for the first nuclear test. The committee was made up of leaders from various departments and 68 specialists. After study, the various standards to be used for the zero hour of the explosion were set. On 9 October, the committee, based on a weather forecast provided by the meteorological bureau of the General Staff Headquarters, decided that the best time to conduct the test would be some time between 15 and 20 October. Chairman Mao Zedong personally approved the time frame and instructed that the test should be conducted as soon as possible. After careful discussion and study, the specialists of the committee finally decided to set 1500 of 16 October as the zero hour for the explosion and submitted the decision to Premier Zhou Enlai for approval.

...Gen. Zhang Aiping, who was deputy chief of the People's Liberation Army General Staff and vice minister in charge of the Commission of Science for National Defense, was in a makeshift command center on the bank of the Kongque River. Also inside the head control room were Gen. Zhang Zhenhuan, who was deputy secretary general of the Commission of Science for National Defense and commander in chief of the test site. Liu Xiyao, who was vice minister of the Second Ministry of Machine-Building, stood at the junction of the road leading to the test area directing workers around the bomb to evacuate the test site.

At 0900, Li Jue, Zhang Yunjue—who was commander of the nuclear test base—and the scientist Chen Nengkuan, accompanying four installation technicians, went from the head command station to the tower on two jeeps to install the detonating cap and to connect it to the power line. All of them looked so serious, and their every move and word seemed to weigh a thousand jin. They knew that any minor mistake could make the test a failure, which would seriously damage the nation's reputation.

"Don't be nervous, kid. Act the way you have before," said Zhang Yunyu to nearby Wang Yun, an installer.

"With you on my side, I am not nervous."

The basket climbed slowly, taking Li Jue, scientist Chen Changyi, and two installers to the top of the tower.

The surroundings were quiet, as if no life existed. Occasionally a whirl of dry and hot wind blew over from the vast Gobi Desert. Except for this, there was only the faint sound made by the installers operating the equipment.

Li Jue now found himself on top of the high steel tower. Lying in silence on its side was the mammoth three-tonne atomic bomb. Its external form was like a large silver white ball slightly over one meter in diameter. Li Jue knew in his heart that several hours later this large ball, like a genie freed from its magic lamp, would release unimaginable energy and atomize everything nearby—including this sky-high tower—with temperatures reaching tens of millions of degrees. Considering this, he subconsciously felt for his pocket, inside of which was a key to the electric switchbox which controlled all power to the tower. To prevent the unlikely event of an accident, the switch box had been sealed off. Now the key controlling the "genie" was in his hand.

Li Jue attentively watched the installers' every move: his assignment was to supervise and examine the installation of the detonation cap. Although the installers showed composure and presence of mind, and their orderly and dexterous installation was as accurate as programmed computer operations, he still could not allow himself a single moment of lapsed attention. He knew too well the test "can only succeed."

The detonation cap was installed, and all circuits linking the bomb connected. Li Jue calmly nodded after receiving the report from the installers. However, he did not immediately issue the order to withdraw from the tower. Like a mother sending her son on a long journey, he checked every position one by one and reexamined major circuits to see if they worked. He wistfully turned away from the big white ball and led the people to the ground only after he assured himself everything was normal and without fault.

On the tower gantries, Li Jue took the key from his pocket, opened the switchbox, and carefully turned the switch. At the same time he looked up, almost unconsciously, at the top of the tower where the frightening genie was lying there without any sign of movement. However, Li Jue knew the power for the atomic bomb had been turned on, and the situation was like "a hundred weight hanging by a hair!"

Li Jue and the installers boarded the jeep and quickly drove away. As they approached the test control headquarters, they found Vice Minister Liu Xiyao still standing at the entrance to the explosion area, looking for them. Li Jue told him: "All personnel have withdrawn, and we are the last! Okay, let's go!"

Only five minutes left.

At the control headquarters, the tense atmosphere was almost suffocating. In the command post, Zhang Zhenhuan and Zhang Yunyu looked very serious, seated like statues without movement. Li Jue silently left the command post and went down to the control platform to serve as an "escort" for the operator who was in charge of pushing the explosion button.

The atmosphere became even more solemnly silent. The operator closely watched the control station and did not notice the arrival of Li Jue. Li Jue could also feel his own heart beating and guessed that everyone in the building would feel the same way. To soothe the atmosphere, he went by the side of the No. 1 operator Han Yunti and placed a glass cover upside down on a cup. He amiably pat Han Yunti's shoulder and said: "Young man, don't get excited, the atomic bomb will certainly explode, and the glass cover will certainly fall following the explosion!" Han Yunti knew what he meant and smiled.

There were only 10 seconds left before the explosion.

The atmosphere in the main control room became uptight and everyone in the room held their breath. Outside, Lop Nur was extremely quiet! Extremely quiet!

"Da Da Da [sound]..... [ellipses as received]" Rows of colorful lights lit up in good order on the control panel following the solemn and historical sound of the pushing of the knobs. The bright eyes of a young military woman watched the red lights and counted: "9, 8, 7, 6, 5, 4, 3, 2, 1, 0."

"Start to explode!"

Han Yunti used his index finger to forcefully push the button and perfectly completed the epoch-making action.

At 1500 sharp, the atomic bomb exploded. A powerful red flash suddenly appeared in the depth of Lop Nur.

A huge fireball immediately rose to the sky like a second sun. Its light exceeded that of the sun in the sky. The sky and ground were aglow with the fire.

Shortly, people heard a deafening sound and the snow-capped Tian Shan echoed. The thundering sound almost tore the canopy of the sky. The fierce blast swept the immense Gobi Desert.

The huge fireball slowly rose to the sky and the smoke continuously expanded with the change of colors—red, yellow, blue, green, white, and purple. Finally the smoke gathered in the sky and formed a mushroom cloud from the ground to the sky.

General Zhang Aiping reported to Premier Zhou over the telephone: We have seen the mushroom cloud and have proven that we have accomplished a nuclear explosion [he bao zha 2702 3615 3498].

Later, the results of neutron, mechanics, and optical tests all proved that the fierce explosion in China's Lop Nur Region was truly a nuclear explosion [he bao zha 2702 3615 3498].

Li Jue watched the magnificent sight from the viewing hole of the control room with tears in his eyes. The short moment, to a nation which had suffered great hardships and had been bullied and humiliated, was so precious! The earth-shocking sound of the nuclear explosion [he bao zha 2702 3615 3498] was an eloquent declaration turning China into a powerful nation.

Tears were in the eyes of everyone present: They had paid such a great price, and Lop Nur had given them great hopes and pains.

Everyone was full of pride: The atomic bomb destroyed a patch of green land here, but it did not destroy the life of mankind and there is even less chance that it will destroy the intuitive knowledge [liang zhi 5328 4249] and righteousness of mankind; because, in the hands of the Chinese people, it is the god of peace [he ping zhi shen 0735 1627 0037 4377] and not the god of war [zhan shen 2069 4377], nor is it the god of death [si shen 2984 4377]!

(This is the first article selected from articles solicited by "New China's First")

Reserve Infantry Division Founded in Hainan

HK2011051193 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 10 Nov 93

[Text] The founding ceremony for the 1st Infantry Division of the Hainan Reserve Ground Forces was held in Haikou yesterday. The Army leaders attending the ceremony included Tan Dongsheng, director of the Mobilization Department of the PLA General Staff Headquarters; Wang Shen, deputy commander of Guangzhou Military Region [GMR]; (Cao Guojun), GMR chief of staff; (Liu Fengqin), GMR deputy chief of staff; Liu Guinan, deputy director of the GMR Political Department; Xiao Xuchu, member of the standing committee of the provincial CPC committee and commander of the Hainan Military District; Gong Pingqiu, political commissar of the military district; and (Zhou Qingshan), political commissar of the Air Force of the South China Sea Fleet.

Provincial leading comrades who attended the ceremony included: Liu Xuebin, standing committee member of the provincial CPC committee, head of the propaganda department, and special assistant to the provincial governor; Cai Changsong, standing committee member of the provincial CPC committee and head of the organization department; Wang Xintian, vice chairman of the provincial people's congress standing committee; Vice Governors Chen Suhou and Liu Mingqi; Hu Kai, vice chairman of the provincial committee of the Chinese People's Political Consultative Conference; Qin Xingmin, chief procurator of the provincial people's procuratorate; and Haikou Mayor Zeng Haorong. Lieutenant General (Cao Guojun), GMR chief of staff, read the GMR's orders to found the 1st Infantry Division of the Hainan Reserve Ground Forces and to present the division with its unit flag. Lieutenant General Wang Shen, deputy commander of the GMR, presented the flag and reviewed the unit.

The 1st Infantry Division of the Hainan Reserve Ground Forces has under its command the 1st, 2d, and 3d Regiments and an artillery regiment. It is under the leadership of the Hainan Provincial CPC Committee and the Hainan Military District.

Wang Shen, Han Dongsheng, and Chen Suhou spoke at the meeting. They pointed out: The founding of the 1st Infantry Division of the Hainan Reserve Ground Forces is

an important step in the building of reserve defense forces in this province. This unit is an important supporting force in the struggle on the South China Sea.

They also urged the unit to strengthen the education in ideology and conduct; improve their combat skills; and become a reserve force that is politically competent, has high-standard military capabilities and good conduct, is well disciplined, and gives powerful support.

(Li Yuanlu), political commissar of the reserve division, also spoke at the meeting. Also present at the ceremony were (Chen Hua), deputy commander of the Guangdong Provincial Military District; (Ge Wenliang), deputy commander of the Guangxi Regional Military District; Xiao Qiuru, deputy commander of the Hunan Provincial Military District; Chen Zuocai, deputy commander of the Hubei Provincial Military District; Liu Chengbao, deputy commander of the Hainan Provincial Military District, and Zhou Chuantong, deputy political commissar of the district; Li Lianchen, Air Force deputy commander of the South China Sea Fleet; (Wu Fengrong), political department director of the Hainan Military District; and (Hu Zhilu), former political commissar of the Hainan Military District.

A total of over 3,000 people attended yesterday's ceremony. Apart from the above-mentioned, other participants included comrades from organs of the General Staff Headquarters and General Political Department; delegates to the work conference on reserve forces in the five provinces and regions in southeast China; leaders of relevant departments and cities and counties in Hainan; comrades in charge of Hainan's three armed services, three police forces, and public security departments; and mass representatives from all counties.

Zhejiang's Winter Conscription Policy Finalized

OW2211085993 Hangzhou ZHEJIANG RIBAO in
Chinese 1 Nov 93 p 3

["Report by correspondents Chen Zhongmin (7115 1813 2494) and Sun Houjun (1327 0624 6511): 'Zhejiang Has Finalized This Winter's Conscription Policy'"]—ZHEJIANG RIBAO headline]

[Text] Based on an order from the State Council and Central Military Commission, Zhejiang has finalized its winter conscription policy.

Age of conscripts—They should be 18 to 20-year-old male, 18 to 19-year-old female senior high schools graduates in 1993; or 17-year-old senior high school graduates if they volunteer. For young people of rural families, they must be at least junior high school graduates; and for young people of nonrural families, they must be at least senior high school graduates. The age limit for young people whose educational level is above senior high school graduate may be raised to 21.

Who will be drafted—Conscripts will include administrators and technicians of enterprises and institutions who are high school graduates, as well as graduates of ordinary high

schools and vocational high schools, and high school graduate-workers of enterprises and institutions. In minority areas, islands, border areas, and remote rural areas in which conscription quotas are difficult to fulfill, the education level of conscripts may be lowered to primary school graduates for young people in rural areas, and lowered to junior high school graduates for young people in townships and towns.

Physical conditions—Conscripts' physical conditions will be based on the "Standards for Conscripts' Physical Conditions" promulgated by the State Council.

Conscription methods—Young people having completed their military service registration and who are subject to conscription for reserve services must apply in locations where their residence is registered. With the approval of labor authorities, young people recruited from rural areas to work in cities and towns on contract basis but whose residence and food rations are still in rural areas, should submit their applications in places where they work.

Physically and politically qualified conscripts will be enlisted by conscription offices under county, city, and district people's governments.

Economic & Agricultural

Li Peng, Other Officials on 3 Gorges Project

OW2411151093 Beijing XINHUA in English 1447
GMT 24 Nov 93

[Text] Beijing, November 24 (XINHUA)—Democratic party leaders, leaders of the All-China Federation of Industry and Commerce and representatives of personnel without party affiliation have called for more publicity work on the Three Gorges Dam Project.

At a forum presided over by premier Li Peng on Monday [22 November], the non-Communist Party figures voiced their suggestions on the Three Gorges Project after completing an inspection tour of the proposed dam site from November 7 to 15.

Chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) Li Ruihuan, Vice Premier Zou Jiahua, State Councillor Chen Junsheng, head of the United Front Work Department of the Central Committee of the Chinese Communist Party Wang Zhaoguo and Vice Chairwoman of the CPPCC National Committee Qian Zhengying attended the forum.

Lei Jieqiong, vice chairman of the Standing Committee of the National People's Congress (NPC) and chairman of the Central Committee of the China Association for Promoting Democracy, said that the Three Gorges Project concerns the interests of all Chinese people and added that everyone in the country should support the project.

Lei said that the resettlement of residents of proposed reservoir areas near the Three Gorges should be carefully carried out. Some residents can be resettled in other provinces.

Lei called for enhancing technical training of the residents to be resettled.

Sun Qimeng, vice chairman of the NPC Standing Committee and chairman of the Central Committee of the China Democratic National Construction Association, said that united front work must serve the central task of economic construction.

He said that figures in democratic parties and other associations and personnel without party affiliation should make investigations on possible problems arising from the Three Gorges Project and propose solutions to respective departments.

Meanwhile, he said, they should engage in united front work at home and abroad for the project in the areas of introducing foreign funds, technology and equipment, as well as coordinating relations between the government and the people in reservoir areas.

On the question of the resettlement of residents, he stressed new approaches should be developed through the application of the principles of the socialist market economy.

Qian Weichang, vice chairman of the CPPCC National Committee and vice chairman of the China Democratic League, stressed protection of cultural relics in the Three Gorges Area.

He said that the area was the home of the Ba culture and suggested building a museum to hold the Ba relics.

Cai Zimin, member of the NPC Standing Committee and chairman of the Central Committee of the Taiwan Democratic Self-Government League, said that the decision on the construction of the Three Gorges Project is correct. He added the project will produce tremendous economic results, including flood control and improved electricity supplies.

Li Ganliu, member of the Standing Committee of the CPPCC National Committee and vice-chairman of the Revolutionary Committee of the Chinese Kuomintang, said that the project will play an important role in national economic development and will enhance the strength of the country.

Official Interviewed on Financial, Tax Reform

HK2611103093 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0551 GMT 19 Nov 93

[By staff reporter Liu Hong (0491 4767)]

[Text] Beijing, 19 Nov (ZHONGGUO XINWEN SHE)—What is the specific content of financial and taxation reform to be introduced next year? Will the separate taxation system aggravate the conflict of interests between the central and local authorities? How can financial and taxation reform avoid repetition of the past mistake of fighting in isolation?...

The Financial Science Research Institute is one of the advisers and consultative organs for making financial

policy decisions under the Ministry of Finance. Cong Anni, associate research fellow of the institute, gave an exclusive interview to this reporter on the financial and taxation reform, which has attracted extensive attention. The reform will be comprehensively introduced next year.

Commencing next year, Cong Anni said, China will introduce a series of reform measures focused on the taxation system and a system of distribution of profits between the state and state enterprises. The purpose is to improve financial functions, enhance the macroeconomic regulation and control capacity of the central government, promote sustained and rapid development of the national economy, and lay the foundation for initially establishing a socialist market economic system by the turn of the century.

The bachelor of economics [Cong Anni] explained in detail that the reform of the separate financial and taxation systems, which is to be implemented on 1 January next year, will first designate the scope of financial expenditure at all levels in light of the central and local authority over enterprises and undertakings. In light of the principle of unity of financial power and authority over enterprises and undertakings, central and local incomes will be determined in light of tax categories. While ensuring the vested interests of the locality, central revenue should gradually be increased. When the conditions are ripe, it is necessary to implement a standard transfer payment system from the center to the locality, establish a new structure for the flow of financial funds from lower levels to the top and then from the top to the lower levels, organically combine the responsibility, powers, and rights of the government at all levels, and optimize the distribution of resources and industrial setup.

In the reform of the taxation system, first, it is necessary to comprehensively introduce incremental taxes, simplify their rates, standardize the scope of their deduction, and implement a system which clearly indicates taxes in dispatch lists [fa huo piao 4099 6303 4384] and deducts them based on the list. The current product tax will be changed to a consumption tax. With the expansion of incremental taxes, the scope of tax levies will be reduced correspondingly and a special adjustment will be introduced on some special consumer products (such as cigarettes, liquor, and cars) in coordination with incremental taxes. Transaction taxes will continue to be levied on non-commodity operations, forming a new circulation tax system focused on the incremental taxes, with consumption and transaction taxes as complements. After introducing such reforms, incremental taxes should account for 65 percent of circulation taxes. At the same time, consolidated industrial and commercial taxes levied on foreign-funded enterprises will be abolished. Second, it is necessary to standardize the enterprise income tax system and impose an income tax of 33 percent on all domestic enterprises. The current personal income tax, personal income adjustment tax, and income tax for urban and rural industrial and commercial businessmen will be merged to establish a standard income tax. The tax rate will be based on the internationally applicable progressive system.

The system of distribution between the state and state enterprises will also have to undergo a comprehensive reform. Based on the "Rules for Enterprise Finance" and "Rules for Enterprise Accounting," the income tax rate of state enterprises will drop to 33 percent. At the same time, the adjustment tax will be abolished and a distribution system will gradually be established by which incomes from investment in state assets will be shared in light of the amount of shares and profits in light of the amount of capital, or profits will be delivered after paying taxes.

Cong Anni was optimistic about the bearing capacity of the local government in a separate tax system. She said that partial interests should eventually be subordinate to overall and long-term interests. Moreover, in the course of designing the reform scheme, the vested interests of the localities and the smooth transition from the old to a new system were fully taken into account. A great deal of investigation was conducted and views of various fields were extensively solicited on the issue.

As the financial and taxation systems involve the interests of various fields, obstacles will be unavoidable. Nevertheless, we must advance. So long as the direction is correct, specific problems can be resolved. What we have to do now is overcome ideological and conceptual interference and avoid new setbacks in financial and taxation reform.

Cong has been engaged in practical work and theoretical research in the Finance Ministry for 20 years. In the interrelated reforms, she said, reform of the financial and investment systems, structural reform, and price reform are the most important auxiliary reforms of financial and taxation reform.

Cong said that the establishment of a state policy investment and capital accommodation system is imperative. Financial reform has to a great extent transformed the capital supply mechanism of enterprises, which must be replaced by a new market capital accommodation mechanism. The functions of the "policy-related finance" should be listed separately and undertaken by the "financial capital accommodation" system. The rational division of financial powers should be based on the division of powers over enterprises and undertakings, particularly in central and local investment powers. Nonprofit public facilities and public welfare undertakings should be funded by local finance. The central government will undertake only a small number of large, transregional, and some special profitable productive and construction projects. This also requires a state policy investment and capital accommodation system to offer long-term policy-related funds to the construction of basic facilities.

Only by clearly defining the scope of authority of government at all levels, bringing into balance relations between various factors, changing and improving financial functions, unifying the government decree on financial policies, and exercising unified management over financial funds, Cong said, can finance represent the state in exercising macroeconomic regulation and control. Price reform should be further deepened so that the lever of taxation reform will no longer perform the functions of

regulating prices and the financial burden of enterprise policy-related losses will gradually be reduced.

Government To Introduce Consumption Tax in 1994

*OW2511125893 Beijing XINHUA in English 1234
GMT 25 Nov 93*

[Text] Beijing, November 25 (XINHUA)—Beginning in 1994, China will levy taxes on some commodities.

Included will be some special commodities, and high-grade, high-energy-consuming merchandise, such as tobacco, alcoholic drinks, fireworks, gold and silver ornaments, cosmetics, video cameras, cars and air-conditioners.

The tax rates will vary for each type.

According to an official from the State Administration of Taxation (SAT), the consumption tax is designed to curb excessive spending, institutional purchases in particular.

Rallying more capital for the state coffers and narrowing the social income gap are other factors leading to the introduction of the new tax.

As the tax is targeted at high-income earners and the commodities to be taxed are not daily necessities, it will not add burdens to the general public, nor will it trigger price hikes, said the SAT official.

State To 'Strengthen' Taxation on Entertainers

*OW2411154793 Beijing XINHUA in English 1506
GMT 24 Nov 93*

[Text] Beijing, November 24 (XINHUA)—China will strengthen taxation on overseas athletes and entertainers who hold commercial performances on the mainland, according to a circular issued recently.

The circular issued jointly by the State Administration of Taxation, the Ministry of Culture and the State Physical Culture and Sports Commission announced that except for those who are granted tax exemptions, all athletes and entertainers from foreign countries and Hong Kong, Macao and Taiwan have to pay income tax according to relevant laws and regulations.

The circular stipulates that all contracts between overseas entertainers and their mainland hosts have to be handed over to relevant taxation departments for approval. The taxation departments will grant tax exemption in light of agreements on avoiding dual taxation reached between China and other countries.

The notice prohibits mainland hosts from including tax exemptions in contracts with overseas entertainers. The hosts must deduct taxes from the profits of commercial performances and hand in the money to taxation departments. Hosts who do not obey the taxation procedures will be punished according to law, the circular said.

Well-established entertainers from outside the country, especially from Hong Kong and Taiwan, have flooded the Chinese mainland recently, attracted to its audience of 1.2 billion. Ticket prices for such mainland performances by international stars have run as high as 200 yuan, equal to the average monthly income of an urban resident.

Officials Propose Tax on Securities Trading

*OW2411135993 Beijing XINHUA in English 1305
GMT 24 Nov 93*

[Text] Beijing, November 24 (XINHUA)—Chinese tax authorities have proposed a new tax on securities trading in a move to standardize securities transactions.

According to an official from the Ministry of Finance, the proposed new tax rate will be set at 0.6 percent on each sale of stock, to be shared by the buyer and seller. For bond transactions, the rate will be 0.2 percent.

However, trading in state treasury bonds and short-term bonds issued by the central bank will not be taxed.

Once the new tax is implemented, the 0.3 percent stamp tax currently levied on stocks buyers and sellers will be abolished. Thus, investors in the stock market will not have their tax burdens increased, though traders in enterprise bonds may begin to pay taxes, the financial official said.

Taxes collected from securities trading will be shared equally by the central treasury and local government bodies under the new fiscal system to be introduced at the start of next year.

However, taxation of securities trading will not begin simultaneously with other tax reform measures that become effective on January 1st, 1994.

It will be probably implemented later next year, when conditions are mature, said the official.

China launched two stock exchanges in 1990 and 1991 in Shanghai and Shenzhen. Since then, the market has undergone rapid expansion.

The number of listed companies in the two bourses will reach 180 by the end of this year, and this year's transaction volume already exceeds 200 billion yuan.

The State Taxation Administration is also considering an overhaul of taxes on the gains of stock transactions.

A 20 percent gains tax rate may be imposed on a yearly basis.

Currently, investors must pay a 20 percent income tax on each transaction profit, regardless of losses incurred on other transactions.

"The new proposal is more fair, and will make investing in the stock market more attractive," said the official.

Minister Discusses Registration of Accountants

OW2411154593 Beijing XINHUA in English 1516
GMT 24 Nov 93

[Text] Beijing, November 24 (XINHUA)—Chinese Minister of Finance Liu Zhongli today stressed tight administration of registered accountants according to law.

At a national working conference, Liu said that the expansion of registered accountants is one of the most important steps in China's financial and taxation reforms and in restructuring China's economy.

He said that under the recently-issued "Law on Registered Accountants," cultivation of qualified and prestigious registered accountants should be enhanced.

He said that the registered accountants should serve the establishment of a socialist market economic system.

He urged financial departments at various levels to make efforts to expand the ranks of registered accountants.

The system of registered accountants was resumed in China at the end of 1980.

By the end of last year, 10,733 accountants had been registered.

It is expected that this year the number of registered accountants will reach 15,000 and the number of accountant offices will climb to 2,500, with 40,000 staff members.

China has also approved seven Sino-foreign joint accountant offices.

Economist Views Reforms Cited in Deng's Works

OW2511162093 Beijing XINHUA in English 1533
GMT 25 Nov 93

[Text] Beijing, November 25 (XINHUA)—Ma Hong, a well-known Chinese economist, recently said that the third volume of the Selected Works Of Deng Xiaoping systematically expounds the reforms that mark contemporary China by combining the theory of building socialism with Chinese characteristics with concrete practices.

Ma, honorary director of the Research Center on Economic, Technological and Social Development under the State Council, made the remarks during an interview with XINHUA at Zhongnanhai, the headquarters of the central government.

Ma said that Deng's new works explain and define reform, the relationship between reform and opening to the outside world, the nature, target, significance, and measures of reform, and the connection between reform and the construction of the Communist Party of China.

Ma made the following points in analyzing Deng's new book:

First, he explained the relationship between reform and opening. Ma said that people used to regard reform and opening as two separate matters. They held the view that opening is a matter for the outside world and reform a

domestic matter. They also believed that opening is a task for the coastal areas and reform is a task for the inland areas. But Deng has made clear statements on this point by saying that opening to the outside world is reform, and reform is opening at home. Reform and opening are uniform. People should not see or stress only one aspect and ignore the other.

Ma said that some localities and departments paid no attention to reform of internal economic structures while opening to the outside world. He said that Deng's theory has great significance in guiding practical work.

Second, Ma outlined the nature and target of reform. According to Deng Xiaoping, reform is "the second revolution" in China. He said that the revolution has several characteristics: 1. The nature of the revolution lies in the self-perfection of the socialist system, but not self-negation. 2. The revolution will not assume the path of class confrontation. It is "not a revolution among people, but a revolution within the system." 3. The target of the revolution is to change the old system, which hindered the development of productive forces, and prepare new means for the development of productive forces. 4. The revolution is carried out by the force of the socialist system itself and the conscientious efforts of the people under the leadership of the party and the government and under the guidance of Marxism.

Since reform is the self-perfection of the socialist system, it will not negate the system itself. Ma said that Deng has set up two basic principles for the people: one is that the publicly owned sector constitutes the mainstay of the economy, the other is common prosperity.

Deng has set as an ultimate target for reform the emancipation of productive forces. This is very important, Ma said. Because the target of reform is clearly set, productive forces of the country have been rapidly improved. The gross national product (GNP) grew at an average rate of ten percent annually between 1979 and 1992. The country had not achieved such a high growth rate for a long time. In the same period, the world's average growth rate was three percent. On the basis of vigorously growing productive forces, the country has provided the population with enough food and clothing and is striding forward to a well-off life for the people. The overall economic strength of the country has been improved. Ma said that only through developing productive forces can the socialist system be consolidated and made more perfect.

Third, the significance of reform lies in the guarantee of achieving strategic target in the long run. Ma noted that Deng has repeatedly explained the targets and strategy of the development of the country, which is to realize a well-off life for the people by the end of the century and to achieve better development for the country in the coming century.

Ma said that reform is the impetus of development and development is the target of reform. Reform creates conditions and paves the way for development, and development provides abundant material support for reform. If reform and development are divided, neither can be successful, Ma said.

Fourth, Ma discussed steps and measures of reform. Ma said that China's reform has unprecedented and unique characteristics. Reform is carried out gradually in a planned and step-by-step way. Rural reform came first. After rural reform achieved fundamental success, reform in cities and towns followed. The reform in urban areas is divided into different phases and steps. Price controls on daily necessities were lifted first, then controls on the means of production. Product markets were first freed from government control, then the markets for other production factors. Reforms were experimented with in certain areas, then spread to the whole country. Opening policies were adopted first by special economic zones, then by coastal areas, areas along the country's borders and major waterways and the capital cities of inland provinces. The strategy of reform formulated in light of Deng's theory has been regarded as successful in the world community.

Last, Ma emphasized that the third volume of the *Selected Works Of Deng Xiaoping* constitutes the best textbook and weapon to arm the party and the people. It will have a profound influence on the acceleration of reform and opening and the realization of the country's great strategic targets.

Official on Administration of Development Zones

*HK2611093893 Beijing ZHONGGUO XINWEN SHE
in Chinese 1207 GMT 7 Nov 93*

[By reporter Xiao Rui (4682 3843): "Wang Chunzheng, Vice Minister of State Planning Commission, Reveals That 400 to 500 Development Zones Remain in the Country After Rectification"]

[Text] Beijing, 7 Nov (ZHONGGUO XINWEN SHE)—How should development zones further develop on the premise of strengthening the central government's macro-level regulation and control and seriously rectifying various kinds of development zones? How can the construction of the development zones in China be upgraded to a new level? A "forum on promoting healthy development of development zones," held in Beijing recently, probed problems relating to the construction and development of development zones in China.

Wang Chunzheng, vice minister of the State Planning Commission, pointed out in his keynote speech at the forum that the experience in building development zones in China in the past eight years showed that they have already become pioneers and models in expediting reform and opening up, as well as points realizing new economic growths in the localities. However, because some localities ignored actual conditions and feasibility, used a large quantity of farmland and funds to build development zones of various kinds, and granted various kinds of preferential policies without authorization, the reputation of development zones was harmed seriously. The most important task in this time is to seriously sort out various kinds of development zones at and below provincial levels, and earnestly carry out aftermath work.

Wang Chunzheng pointed out that the development zones are faced with three challenges at this time.

First, the aftermath brought about by the rectification of development zones. Up to the end of last year, the whole country had some 3,000 development zones, among them over 90 percent were established without authorization by governments of various levels below the provincial level. Some development zones wanted to expand business and attract funds, so they competed among themselves in reducing taxes and giving up profits, providing some unlawful investors at home and abroad with ample opportunities to claim land and engage in land speculation; some development zones ignored conditions and blindly "built nests," and the result was heavy debt; some development zones proceeded hastily and occupied a large quantity of farmland or leased urban land, bringing about many difficulties to agricultural employment and resettlement of urban residents. At present, all these development zones have to be abolished, stopped, merged, and changed, and the aftermath is very difficult.

Second, the development zones to be retained will face an overall shortage of funds and increasing pressure from competition. An estimate from the rectifying process in various localities reveals that provincial governments will eventually approve 300 to 400 development zones, plus the 100 odd state-level development zones and a limited supply of domestic and foreign funds every year, a fierce competition is inevitable because "the gruel is meager and the monks are many."

Third, from a long-term perspective, development zones must face the challenges of preparation for joining the GATT.

Some 150 representatives from the relevant departments of the State Council, provinces, municipalities, and development zones took part in the forum, which was jointly held by the State Council Development Research Center, the State Planning Commission Academic Committee, and JINGJI RIBAO. Vice Premier Li Lanqing made an important speech at the forum.

Li Guixian: 'Sever' Ties With Economic Entities

*OW2511020193 Beijing XINHUA Domestic Service in
Chinese 0958 GMT 23 Nov 93*

[By reporter Zhang Jinsheng (1728 6930 0524)]

[Text] Beijing, 23 Nov (XINHUA)—The State Economic and Trade Commission, the State Economic Restructuring Commission, and the State Administration for Industry and Commerce today jointly held a "meeting of having party and government departments sever their ties with economic entities set up by those departments" in Beijing. The meeting called on party and government departments to sever their ties with economic entities set up by them as quickly as possible, including personnel, financial, and material ties. It called on those departments to unify their understanding and properly carry out this work.

State Councillor Li Guixian pointed out at the meeting: It is necessary to further enhance our understanding in the significance of having party and government departments sever their ties with economic entities set up by those departments. He said: The work of severing ties between party and government departments and economic entities set up by those departments is an important measure to prevent and overcome corrupt tendencies. It is in accord with the goal of organizational reform of government departments, involving the change of government functions, the streamlining of government organizations, and the reassignment of personnel. It is also a necessary thing in establishing and perfecting a socialist market economic system. The link between government and enterprises and the combination of government departments and business concerns runs counter to the law of equal competition of the market economy. After severing ties between party and government departments and economic entities set up by those departments, certain departmental interests and personal interests of cadres and workers may be somewhat influenced, but we must take the overall benefits and interests into account. The state will adopt various measures to solve actual problems of concerned departments. However, on the principle of severing ties between party and government departments and economic entities set up by them, various departments must firmly follow the guidelines of the party Central Committee and the State Council.

Li Guixian said: The work of severing ties between government and economic entities involves many fields and has many complicated problems. We must follow a correct policy, strengthen investigation and study, work in a careful manner to solve conspicuous problems, and sum up experiences in a prompt manner to successfully carry out the work.

It has been learned that, during the past two years since reform, opening up, and economic construction has entered into a new period, party and government departments have carried out organizational reform, quickened the change of their functions, and set up a number of economic entities. The new characteristics include: 1) The number of economic entities is quite large. From 1991 to end of October this year, the number of companies established with the approval of central Party Committee and government departments exceeded 400. Various departments have also set up a number of economic entities in the form of joint operation, investment, or direct registration in various localities. The number of companies and other economic entities set up by various local governments is even greater. 2) The scope of economic entities is very wide. In addition to economic departments, noneconomic departments such as civil affairs, cultural, public security, judicial departments, and radio and television stations have also set up various economic entities. Not only departments under the State Council, departments directly under the party Central Committee, courts, military units, and people's congresses have also set up various economic entities. 3) Some problems have emerged. Most of those economic entities set up by party and government organizations have played a positive role in promoting the

separation of government and enterprises, changing government functions, resettling government functionaries, and developing the tertiary industry. However, some economic entities have not severed ties with their original organizations and have thus created a number of new problems including links between government and enterprises, doing business with government power, operating business in a monopolized manner, buying and selling things in a forcible way, and randomly retaining enterprises' legitimate profits. Some localities and departments have shifted government duties to economic entities or turned normal management and coordination work into compensatory services to gain benefits for their respective departments. The emergence of those problems has stirred up the masses' strong dissatisfaction. Those problems are very unfavorable to correcting unhealthy tendencies, building honest governments, changing government functions, and establishing the socialist market system.

Chen Qingtai, vice minister in charge of the State Economic and Trade Commission and concurrently head of the leading group for guiding the severing of ties between party and government departments and economic entities, pointed out at the meeting that, to further strengthen leadership over the work of severing ties between party and government departments and economic entities set up by those departments, various departments and localities must assign responsible comrades to personally tackle the problem. In carrying out this work, various localities and departments must pay attention to protecting state assets, the continuity of those economic entities' operations, and preventing the illegal withdrawal of funds. Various departments should strengthen the administration of enterprises to avoid losses of state assets.

Minister on 'Modern Enterprise Structure'

OW2311171893 Beijing XINHUA in English 1606
GMT 23 Nov 93

[Text] Beijing, November 23 (XINHUA)—Wang Zhongyu, minister in charge of the State Economic and Trade Commission, said here today that a modern enterprise structure must be set up as the basis of a socialist market economic system.

In an interview with reporters from XINHUA NEWS AGENCY and the "PEOPLE'S DAILY" [RENMIN RIBAO], Wang said that the "decision on some issues concerning the establishment of a socialist market economic structure" approved by the Third Plenary Session of the 14th Central Committee of the Chinese Communist Party defined the direction of the reform of state enterprises as being the setting up of a modern enterprise structure.

He said that the major components of the setting up of a modern enterprise structure include making enterprises legal persons with limited liability and standardised organization.

As legal persons, the enterprises will be able to have control over their properties and assets rather than merely being workshops carrying out state orders, as in the past.

The limited-liability system means that the liability of legal persons is restricted to within the scope of their assets, while the investors in the assets of the enterprises share limited liability for debts within the sum of their investment.

The standardised organization system in the enterprises refers to the setting up of independent administrative, supervisory and management bodies.

Wang said that the objective of setting up a modern enterprise structure is to separate administration from management and make enterprises legal persons independent of government departments. This will make it easier for the enterprises to engage in market competition.

He noted that the fundamental objective of this reform is to further emancipate and develop the forces of production.

Wang said that the State Economic and Trade Commission prepared an investigation report titled, "Setting Up a Modern Enterprise Structure To Meet the Demands of the Socialist Market Economy" in June this year in co-operation with a dozen departments of the State Council.

He stressed that for the time being experimentation and the gathering of experience are important for the implementation of the new reform. Most enterprises, he noted, should continue to implement the regulation on the change of the management mechanism of state-owned enterprises.

A further regulation on the supervision and management of the assets of state-owned enterprises is to be issued soon, he said.

The reforms of the financial, taxation, investment and planning systems should be linked to the deepening of the enterprise reforms, he added.

Wang urged enterprises to exert more efforts to streamline management and deepen the reform of the personnel and salary systems.

Meanwhile, the State Economic and Trade Commission is planning to hold a forum on the setting up of a modern enterprise structure and formulate a circular on carrying out related experiments in 100 large- and medium-sized state-owned enterprises.

New Law To Combat 'Unfair Competition'

OW2411141293 Beijing XINHUA in English 1324
GMT 24 Nov 93

[Text] Beijing, November 24 (XINHUA)—China has vowed to check unfair competition and sales promotion such as high-value lottery drawing, monopolizing business, manufacture and marketing of fake or shoddy goods as of December 1, when the state's first law against unethical competition takes effect.

The law, which consists of 5 chapters and 33 clauses, specifically notes the scope of unfair competition practices, the range of penalties involved, and the supervision and

legal responsibilities of enterprises, with the aim of ensuring fair competition and a sound market order.

According to Liu Minxue, administrator of industry and commerce, all enterprises should stop lottery sales from December 1 on. Those enterprises which have already initiated lottery sales before the set date should register at local administrations of industry and commerce and honour awards, if the top lottery exceeds 5,000 yuan (about 877 U.S. dollars).

The administrator said that the crackdown will also focus on the unethical practices including illegal monopolies and the manufacture and sales of counterfeit goods.

To substantiate the principles of the law against unethical competition, the government departments concerned are drafting a series of supplementary rules and regulations concerning lottery sales, illegal bidding and law enforcement procedures.

Liu said that to ensure ethical conduct of administrative staff, new measures such as the issuing of new inspection cards will be taken to prevent staff from abusing their powers.

Liu also stressed the importance of publicizing the law, saying that both enterprises and consumers should be better informed of the law.

State To Remove Coal Price Controls in 1994

HK2511061293 Hong Kong SOUTH CHINA
MORNING POST in English 25 Nov 93 p 10

[By Geoffrey Crothall in Beijing]

[Text] In a major push towards price reform, the Chinese Government has decided to lift all price controls on coal from January 1 next year, one year ahead of schedule. Coal, which accounts for 76 per cent all China's energy consumption, is one of the last major commodities still subject to strict government price controls.

Last year only about 20 per cent of China's annual coal output of more than one billion tonnes was sold on the open market and, although that percentage has increased slightly this year, the sudden lifting of all price controls would still provide a significant jolt, not only to the coal industry, but to the economy as a whole. Inflation, currently running at around 12 per cent nationally, is expected to rise further next year as the higher cost of coal gradually works its way through the system.

The Coal Ministry decided to press ahead with complete price liberalisation, originally scheduled to be phased in by 1995, after successful experiments in market reform in the eastern provinces of Jiangsu and Shandong, said the ministry's official newspaper, China Coal News.

Under the ministry's plan, all major coal mines in the northeast, northwest and southwest of China will withdraw from the state allocation system, in place for more than four decades, and distribute their coal according to the needs of the market, the newspaper said. In addition, national output

will be reduced by some 70 million tonnes next year and more than 100,000 workers will lose their jobs in order to make coal more competitive in the domestic market.

The deputy Coal Minister, Zhang Baoming, was quoted by China Coal News as saying coal enterprises would henceforth have to meet the needs of market economy rather than state planning quotas. "Enterprises will have to convert from being geared solely to production to being concerned with both production and marketing," Mr Zhang said.

Analysts said the unexpected move to drastically accelerate the pace of price reform showed the Government was serious about transforming China into genuine market economy. "This is probably the most important move toward price reform yet under taken," said a Western economist in Beijing. It is difficult to predict just how prices will be affected next year when the controls are lifted.

The current price differential between the market price and the price set by the state varies from region to region. Costs are highest in the south where little coal is mined but there is a tremendous demand from the power industry. On average the price of coal allocated under the state plan is around 70 yuan (HK\$93.80) [Hong Kong dollars] a tonne, while coal sold on the free market averages out at 160 yuan a tonne, according to industry estimates.

Beijing Plans Boost for Transportation Sector

OW2411130693 Beijing XINHUA in English 1101
GMT 24 Nov 93

[Text] Beijing, November 24 (XINHUA)—China plans to pump over 700 billion yuan (about 140 billion U.S. dollars) into 400 major transportation projects in the rest of the 1990s in order to pave the way for a faster economic growth.

According to an ambitious plan revealed to XINHUA here today, China is to focus on the construction of trans-provincial railways, highways and waterways and civil aviation and pipeline transportation facilities.

The objectives are to boost the total lengths of railways and highways to 70,000 km and 1.2 million km, respectively, by the end of this century, from the current 53,000 km and 1.02 million km; the number of deepwater berths to more than 600 as against the current 300; the total length of pipeline to 25,000 km; and the annual air passenger handling capacity by 10 million.

To accomplish the objectives, China will, in addition to its own efforts, take bolder steps to encourage foreign investors to invest in this sector.

While continuing to use loans provided by the World Bank and foreign governments, China will welcome foreign investors to run joint ventures or solely owned ventures in the construction of railways and highways and civil aviation facilities other than the air control systems.

Meanwhile, the country will encourage localities and enterprises to construct docks, roads and railways for their own use.

Volkswagen Plant's Output To 'Fulfill' Target

OW2511024293 Beijing XINHUA in English 0149
GMT 25 Nov 93

[Text] Shanghai, November 25 (XINHUA)—Shanghai Volkswagen Automotive Co. Ltd. this year has turned out more than 90,000 Santana cars, including luxury model and ordinary model.

The daily production capacity of the Sino-German joint venture is 360 cars.

Its output will reach 100,000 cars this year and the output value will fulfill the target of 11 billion yuan.

The two billion yuan second phase of the extension project of the company has been going on smoothly. It is expected to go into operation next year with an annual capacity of 120,000 Santana cars.

The board of directors of the company recently set a new target of making 300,000 cars in the year 1997.

Toward this end, the Chinese and German sides will continue to expand their cooperation in car production.

Motorcycle Industry To Become 'Second Largest'

OW2511082093 Beijing XINHUA in English 0736
GMT 25 Nov 93

[Text] Beijing, November 25 (XINHUA)—China's motorcycle output is expected to hit 3 million by the end of this year, to become the world's second largest motorcycle producer after Japan.

Statistics from the China Automotive Industry Corporation (CAIC) show that from January to October the country produced a total of 2.5 million motorcycles, already passing the figure of 1.98 million for the whole of last year.

A CAIC official said that the motorcycle market was quite optimistic, with a sales rate of 97 percent.

In the past decade, China's motorcycle industry has been the most active in introducing overseas funds and technology, and the output and number of different models have been on the rise year by year.

So far the country has established more than 100 motorcycle assembly plants and nearly 600 parts factories. Nineteen factories have bought 21 production lines from countries such as Japan, Germany, Italy and Austria, with the quality of motorcycle products largely improved.

China has a population of over 1.1 billion, and its motorcycle market is much larger now than the car market. At present the country has eight million motorcycles, most of them privately owned, while privately-owned cars number only about 50,000.

China's economy has been developing fairly fast in the past few years, and increasingly more families are able to earn enough money to buy and use motorcycles.

Experts believe that the remaining years of this century will be a golden time for China's motorcycle industry, and the products will be mainly sold domestically.

Although China has sold motorcycles to 25 countries and regions, its export volume was only 98,000 last year, and this year the figure will probably reach 120,000.

To bring the development of the motorcycle industry onto the best track, the relevant department of the State Council recently issued a development standard, decreeing that new motorcycle manufacturing projects whose planned capacity is lower than 200,000 per year will not be approved.

Central-South Region

Guangxi Secretary Addresses Plenum Spirit

HK2611093793 Nanning Guangxi People's Radio
Network in Mandarin 1130 GMT 21 Nov 93

[Excerpt] On 20 November, the regional CPC committee held a meeting at which the spirit of the Third Plenary Session of the 14th CPC Central Committee was relayed to the persons in charge of all democratic parties and the Federation of Industry and Commerce in Nanning City, as well as personalities with no party affiliation, and their opinion was sought on issues related to the implementation of the "Decision."

Regional leaders, including Zhao Fulin [regional secretary], Liu Mingzu, and Chen Huiguang, attended the meeting. Regional party Secretary Zhao Fulin gave the participants a description of the Third Plenary Session of the 14th CPC Central Committee and shared with them the regional party committee's preliminary understanding obtained through the study of the "Decision."

When speaking of the regional party committee's planning and arrangements for implementing the central committee's decision, Zhao Fulin emphasized: We must conscientiously study the "Decision," grasp its spirit and deepen our understanding of it, remove misgivings, and achieve the aim of improving understanding and unifying thinking. On the basis of this, the party committees and governments at all levels must carry out investigations and study in great depth; and sum up experiences and offer suggestions for implementation correctly and in a truth-seeking manner, in light of the actual conditions of their localities and departments. The regional party committee has decided to hold the seventh plenary session of the sixth regional CPC committee in late December, at which measures for implementing the "Decision" will be formulated. By then, the regional people's government will, according to the proposals for implementing the "Decision" put forward by the State Council, formulate concrete implementation measures.

Zhao Fulin expressed the hope that all democratic parties, the Federation of Industry and Commerce, and personalities with no party affiliation will give full play to their functions in political and government affairs and assist CPC committees and governments in making a good job of the implementation of the "Decision." [passage omitted]

Hainan Congress Chairman Meets Macao Delegation

HK2411050293 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 15 Nov 93

[Text] An inspection delegation comprising more than 20 Macao-based Chinese People's Political Consultative Conference [CPPCC] National Committee members and headed by Ma Man-kei, CPPCC National Committee vice chairman, arrived in Haikou on the afternoon of 15 November.

The Macao CPPCC inspection delegation was met at Haikou Airport by Provincial CPPCC Committee Chairman Yao Wenxu, Vice Chairman Lin Mingyu, and other provincial leaders.

At 1730 on the same afternoon, the Macao CPPCC inspection delegation met and held talks in Qiongyan Hotel's Haifeng Hall with a number of provincial leaders, including Provincial CPPCC Committee Chairman Yao Wenxu; Liu Xuebin, provincial party committee standing committee member, provincial special assistant governor, and provincial party committee propaganda department director; Provincial Vice Governor Mao Zhijun; Zhou Song and Lin Mingyu, provincial CPPCC committee vice chairmen; among others.

Yao Wenxu briefed the Macao CPPCC inspection delegation members on Hainan's development and expressed the hope that the Macao CPPCC inspection delegation will put forward valuable views and proposals on Hainan's exploitation and construction after it concludes its inspection.

Ma Man-kei said: Over the past few years, Hainan has made rapid progress and has made monumental achievements in reform, opening up, exploitation, and construction. The publication of Volume 3 of *Selected Works of Deng Xiaoping*, has reassured and convinced us about Hainan's faster growth in the future.

Ma Man-kei expressed the hope that Hainan will firmly grasp each and every opportunity of reform and opening up and will strive to speed up, develop, and enhance cooperation with the Macao region.

The Macao CPPCC inspection delegation is scheduled to conduct an eight-day inspection of a number of cities and counties, including Haikou, Wenchang, Sanya, Danzhou, and others, where its members will inquire about Hainan's experiences in building a socialist market economic structure, in carrying out exploitation and construction, and other fields before putting forth their views and proposals on speeding up Hainan's exploitation and construction.

Hainan Receives Discipline Inspection Group

HK2411060793 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 21 Nov 93

[Text] The 11-member central investigation group, headed by Chen Zuoling, deputy secretary of the Central Commission for Discipline Inspection [CCDI], left Hainan and returned to Beijing the other day, after concluding their investigation of the progress of Hainan's anticorruption operation in the recent past.

For about two weeks, the investigation group listened to the report on the progress of Hainan's anticorruption operation in the recent past, delivered by Provincial Secretary and Governor Ruan Chongwu on behalf of the provincial CPC committee; reports on the honesty, self-discipline, self-examination, and self-correction of party members and cadres ranking at and above the level of provincial section head throughout the province, given by the provincial CPC committee, the provincial people's

congress, the provincial government, the provincial committee of the Chinese People's Political Consultative Conference, the provincial commission for discipline inspection, the provincial supervision department, and the work committees of provincial organs; reports on the investigation and handling of violations of discipline and law, given by the provincial people's procuratorate, the provincial commission for discipline inspection, the provincial supervision department, and the provincial higher people's court; and reports on checking the arbitrary imposition of fees, party and government organs' getting involved in business and running enterprises, party members' and leading cadres' buying stocks, and their going abroad for sightseeing at public expense under the pretext of official business, given by the relevant provincial departments.

The investigation group went to some of the provincial organs for [words indistinct] and held discussion sessions attended by the personalities in charge of democratic parties to hear reports and comments. They also went to the cities and counties of Haikou, Sanya, Qionghai, and Tongzha for on-the-spot investigations.

Before leaving Hainan, the investigation group had a discussion and exchange of views with the leaders of the provincial CPC committee, including Ruan Chongwu, Du Qinglin, and Dong Fanyuan. The group noted that the Hainan provincial party committee and provincial government have given due and conscientious attention to the implementation of the central authorities' plan for combating corruption and the spirit of the second plenary session of the CCDI. They have made relatively prompt efforts in the related work and have achieved certain results. While solving various unhealthy tendencies and corrupt phenomena, the provincial party committee and provincial government have been able to conduct the anticorruption operation in association with deepening reform and opening up, to curb the growth and spreading of the phenomena of corruption through institutionalization.

The investigation group also made some comments and offered some suggestions. In particular, they emphasized that the leading cadres in party and government organs at all levels must further improve their understanding of the importance of the anticorruption operation, adhere to doing two types of work simultaneously with constancy of purpose, correctly grasp and work out practical solutions to the existing problems in their respective units and sectors, continue to implement the various concrete jobs in the anticorruption operation with stepped up efforts, and conscientiously study any new problems, and suggest solutions.

Comrade Ruan Chongwu expressed his appreciation of the central investigation group's coming to Hainan to find out about the progress of the anticorruption operation here. He said that the province will conscientiously study the comments and suggestions offered by the investigation group and put them into practice. [words indistinct]

Investors Show 'Great Interest' in Hainan

OW2611062593 Beijing XINHUA Domestic Service in Chinese 0214 GMT 26 Nov 93

[Beijing XINHUA Domestic Service in Chinese at 0347 GMT on 26 November transmits a service message canceling the following item]

[Text] Haikou, 26 Nov (XINHUA)—Hainan Island today has become a place where Chinese and foreign investors have great interest, the market is a scene of prosperity, and the economy is developing rapidly.

In economic development, Hainan had a late start with a poor foundation, but its environment for the development of socialist market economy is very pliable. Many entrepreneurs from the interior region said to reporters: In running enterprises in Hainan, we may operate completely independently and take part in fair competition in the market. We are indeed "freed."

According to market economy experts, the key to Hainan's pliable environment for economic development lies in greater economic freedom with little administrative interference. This shows Hainan's great success in practicing the new system of "small government and large society" ahead of other parts of the country. The new system has the following features: The province no longer has prefectures. The provincial government now has 27 departments, while its predecessor—the administrative region government—had 69 departments, bureaus, and commissions. To separate the party from the government, the party committee no longer has counterpart departments which overlap government departments. To separate government functions from enterprise management, 11 bureaus, and eight administrative corporations with double shop signs, have been reorganized into enterprises which directly do business in the market. For this reason, Hainan has become the smallest provincial-level administration.

Hainan Development Zone Makes 'Great Progress'

OW2611092393 Beijing XINHUA in English 0847 GMT 26 Nov 93

[Text] Haikou, November 26 (XINHUA)—The comprehensive agricultural development zone of south China's Hainan Province has achieved great progress in rural economic reform and agricultural modernization.

Hainan is the country's largest special economic zone and its second-largest island after Taiwan.

Eighty percent of its population is scattered in rural areas, and development of agriculture is vital to its prosperity.

To make full use of its unique and rich natural resources and set up an agricultural experiment model for the whole country, the Hainan comprehensive agricultural development zone, the country's first of its kind, was approved by the State Council in August 1990.

The 333,000-ha [hectare] zone is distributed in eight counties and cities, and aims to develop tropical plantations, aquatic breeding, the processing industry and export-oriented agriculture.

The zone has opened wholesale markets for farm products, held a provincial agricultural fair and improved traffic conditions to guarantee smooth circulation and marketing of its products outside the island.

Emphasis is also laid on the processing industry with processing bases and all kinds of processing plants for agricultural products being set up all over the zone.

Foreign investment has been used in these areas for basic construction, establishment of processing and breeding enterprises and high-tech agricultural industries.

Effective measures have been taken to raise funds through different channels.

The volume of funds raised by the zone through its share-holding enterprises and other forms of fund accumulation has been 50 times as much as that allocated by the state.

Under the guidance of a market economy, the development zone has always striven to realize diversity in its overall operations and management.

Today, a flourishing economic setup with a combination of agriculture, industry and trade as well as production, processing and marketing not only benefits local farmers but is also a model for farmers all over China.

Hubei Secretary Views Spirit of Plenary Session

HK2411044293 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 19 Nov 93

[Excerpts] The Hubei Provincial CPC Committee's meeting to relay and implement the spirit of the Third Plenary Session of the 14th CPC Central Committee was held in Wuhan this morning.

Provincial Secretary Guan Guangfu presided over the meeting and relayed the main spirit of the central plenary session. He also talked about the arrangements for the implementation of the session's spirit.

Guan Guangfu said: The Third Plenary Session of the 14th CPC Central Committee was an extremely important meeting for further implementing the spirit of the 14th National CPC Congress. The task of the session was to discuss and adopt the CPC Central Committee's "Decision on a Number of Issues in the Establishment of Socialist Market Economic System." General Secretary Jiang Zemin made an important speech.

Guan Guangfu pointed out: The decision adopted by the plenary session has a clear theme, highlighted focus, and rich content. It has great theoretical and ideological value, is directed to specific issues, and may serve as a good guideline. [passage omitted]

When offering suggestions on implementing the decision, Guan Guangfu said: The provincial CPC committee standing committee meeting held on 17 November concentrated on studying the spirit of the Third Plenary Session of the 14th CPC Central Committee. It was attended by chief leading comrades of the provincial advisory committee, provincial people's congress standing committee, provincial government, provincial committee of the Chinese People's Political Consultative Conference, and provincial commission for discipline inspection. This was one step in the effort of standing committee members and leading comrades of the provincial CPC committee to set a study example. The standing committee of the provincial party committee also considered the specific requirements for conscientiously organizing relaying, studying, and implementing. [passage omitted]

Hunan Secretary Views Plenary Session Spirit

HK2411052693 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 19 Nov 93

[Excerpt] The fourth standing committee session of the seventh provincial committee of the Chinese People's Political Consultative Conference [CPPCC] was concluded in Changsha yesterday morning. Provincial Secretary Wang Maolin and Vice Governor Chu Bo attended the meeting.

At the meeting, Comrade Jiang Zemin's important speech at the Third Plenary Session of the 14th CPC Central Committee and the CPC Central Committee's "Decision on a Number of Issues Concerning the Establishment of a Socialist Market Economic System" were relayed and studied, and the spirit of the third standing committee meeting of the Eighth National CPPCC committee and the spirit of the national united front work conference were relayed and studied. Comrade Chu Bo, standing committee member of the provincial CPC committee and executive vice governor, delivered a report on the state of economic work in the province, which was discussed at the meeting. Participants in the meeting also listened to and discussed the provincial CPPCC committee inspection group's report on inspection controls over the arbitrary imposition of fees and a report by the provincial supervision department on anticorruption operations and strengthening the building of a clean administration throughout the province.

After listening to the speeches made by five members of the provincial CPPCC committee, provincial Secretary Wang Maolin made an important speech.

He said: At present, all localities in the province are implementing the spirit of the Third Plenary Session of the 14th CPC Central Committee and conscientiously studying Volume 3 of *Selected Works of Deng Xiaoping*. They are striving to emancipate the mind, seek truth from facts, consistently regard economic construction as the center, and concentrate energy on boosting economic construction.

Northeast Region

Heilongjiang Holds Township Enterprises Forum

SK2311083193 Harbin HEILONGJIANG RIBAO in Chinese 10 Nov 93 p 1

[By Zheng Fengjiang (6774 7685 3068) and reporters Zhang Zhizhong (1728 3112 0022) and Xing Shiguo (6717 0013 0948): "Our Province Will Implement the 'Project of Developing Township Enterprises With Big Strides.'"]

[Excerpts] In order to guarantee that our province will seek extraordinary development in township enterprises and develop this project with big strides. The provincial government held a provincial telephone conference on township enterprise work and worked out plans for carrying out this work.

Ma Guoliang, deputy secretary of the provincial party committee, made a speech at the telephone conference. He said: The provincial party committee has decided to actively implement this project across the province during the beginning of next year. The objectives are: By the end of 1994, the total output value of township enterprises across the province will reach more than 50 billion yuan, and efforts should be made to guarantee that the scheduled plan of achieving a 100-percent increase (45 billion yuan) will be fulfilled one year ahead of schedule; by the end of 1995, the total output value of township enterprises across the province will reach more than 70 billion yuan, and efforts should be made to build 30 counties each with 1 billion yuan in township enterprise output value, 160 townships and towns each with 100 million yuan in township enterprise output value, 500 villages each with 10 million yuan in township enterprise output value and 300 enterprises each with 10 million yuan in output value.

The specific development objectives of 1994 are: The total output value of township enterprises should reach more than 50 billion yuan, showing an average increase of 50 percent in the whole province; the collective industrial output value, profits and taxes should be simultaneously increased; the total revenue should be higher than the level of increase in output value.

In order to successfully implement this project, all localities across the province should make breakthroughs in some major tasks.

We should persist in simultaneously carrying out some projects that are export-oriented with a large scale and a high starting point and projects that requires a short construction period and yields quick returns and high efficiency, pay close attention to these projects and promote a structural readjustment. On one hand, we should suit measure to local conditions and rapidly build a number of projects that requires a short construction period and yields quick returns and high efficiency; and on the other hand, we should pay attention to carrying out a number of export-oriented projects with a large scale and high starting points. Next year, townships and towns across the province should build 4,000 new projects or technological transformation projects.

We should persist in raising funds through various channels and inviting business and foreign capital and achieve new breakthroughs in the input of funds. Next year, we should strive to make the investment in fixed assets of township and village enterprises across the province reach 2 billion yuan. We should continue to tap the potential of self-raised funds and establish and consolidate the status of peasants as the main investors in developing township enterprises. Financial departments at all levels and all banks should continue to regard township enterprises as the emphasis and provide them great support. The provincial authorities should make arrangements for granting loans to support the construction of 50 markets in townships and towns during the beginning of next year and guarantee that the loans will be put in place.

We should uphold the principle of popularizing new technology, developing new products and introducing and cultivating trained personnel and seeking development at all levels and in all directions and organize efforts to implement the plan of developing new products in the province and in various cities and counties. Next year, township enterprises across the province should develop 1,000 new products at various levels, sum up and popularize 200 technologies applicable to them and strive to introduce 8,000 personnel of various descriptions. Meanwhile, the whole province should train 5,000 personnel of secondary specialized educational level.

We should persist in integrating border trade with domestic trade and promote the development of export-oriented township enterprises. Next year, the export commodity delivery volume of township enterprises across the province and the volume of border trade fulfilled according to contracts should increase by more than 50 percent respectively over this year.

We should make new breakthroughs in promoting the shareholding cooperation system. We should persist in paying attention to development and norms. Next year, the proportion of township and village enterprises that implement the shareholding cooperation system should increase from 11 percent at present to 25 percent, and efforts should be made to strive to make this figure reach 50 percent by the end of the Eighth Five-Year Plan period; next year, the shareholding cooperation enterprises run by peasants should be 100 in number and norms should be set for about 10 percent of these enterprises. In the future, the new township enterprises should be run mainly in the form of a shareholding cooperation system. [passage omitted]

The telephone conference also relayed the guidelines of the national township enterprise work conference held by the State Council.

Heilongjiang Reports 'Good Harvest'

OW2411075893 Beijing XINHUA in English 0235 GMT 24 Nov 93

[Text] Beijing, November 24 (XINHUA)—Heilongjiang, the leading agricultural producer in north China, has reported a record good harvest this year.

The total grain output of the province has reached 23.91 billion kilograms this year, a record for the province.

The total number of dairy cows in stock may reach 700,000 by the end of this year, about one-seventh of the total in the country.

At the same time, the township enterprises are expected to achieve a total production value of 33.5 billion yuan (about 5.56 billion U.S. dollars), about half of the total output value of the provincial rural areas.

A major grain producer, Heilongjiang ranks first in per capita cultivated farmland, mechanization of farm work, and production of soybean, flax and beet.

Local agricultural officials attribute the rise in farm production to market forces. Farmers have readjusted the local farm production structure. They reduced planting areas of some crops with low unit prices but high output such as wheat and maize and increased planting areas of crops with high unit prices and low output, such as beans, fruit and vegetable.

Such efforts have helped increase farmers' per capita income by over 30 yuan this year.

Building dikes and water channels has also strengthened the capacity to fight against natural disasters. Since 1990, the province has invested over 1.2 billion yuan (about 200 million U.S. dollars) in water conservancy, land improvement and mechanization of farm work.

Now the province has set up a marketing network of grain, production materials, funds, information and labor.

Jilin Secretary on Studying Deng's Works

SK2411102693 Changchun Jilin People's Radio
Network in Mandarin 2300 GMT 23 Nov 93

[Text] JILIN RIBAO and CHANGCHUN RIBAO on 24 November reprint XINHUA Reporter (Cu Wuchen's) report on the interview with He Zhukang, secretary of the Jilin Provincial Party Committee. The report on Jilin Provincial Secretary's experience in studying Volume 3 of *Selected Works of Deng Xiaoping* entitles "Closely Grasp the Major Guideline of Developing Productive Forces."

Developing productive forces is the major guideline to implement the theory on building socialism with Chinese characteristics. Firmly grasping this major guideline and persistently arming the whole party with this theory is the fundamental guarantee for ceaselessly winning a victory in the socialist cause. He Zhukang, secretary of the provincial party committee, who just came back after completing the theoretical study and discussion class for the principal leading cadres at the provincial department level, introduced to the report his study experiences gained at this class.

He said: The theory on building socialism with Chinese characteristics has extensive contents. The report of the 14th party congress divides the main contents of the theory into nine parts. By regarding these main contents and some

other contents as an organic system for further understanding, we will find that here exists a major guideline. That is, emancipate and develop productive forces.

He Zhukang said: We have worked according to this thought over the past years. In the past, Jilin was not economically developed. As a large agriculture base and a small industrial base, Jilin was financially poor. Since the third plenary session of the 11th party Central Committee, particularly after the issuance of Deng Xiaoping's important talks made during his inspection of south China, the provincial party committee and the provincial government have unshakably grasped the economic construction and based themselves on accelerating the development pace in order to change the backward situation. Last year, the provincial party committee timely set forth the goal with that all people of the province should be mobilized to work arduously for three years to elevate the economy to a new high. The provincial party committee also defined 1993 as a year to implement this goal and set forth the grand goal of building Jilin into a developed border, near-the-sea province. Thus, the people in the province are mobilized with enthusiasm, and the pace of economic development is accelerated.

He Zhukang told the reporter: The rapid economic development, the ceaseless enhancement of the economic strength, and the improvement of the living standards of the urban and rural people come from the emancipation and development of productive forces. Conversely, the broad masses of the people are full of confidence in socialism and are further mobilized with enthusiasm for building socialism, and the social productive forces are further emancipated and developed.

He Zhukang said that through study and practice, we define three issues as follows: First, the key to building socialism with Chinese characteristics is to emancipate and develop productive forces and to improve the living standards of the people. Second, emancipating and developing productive forces is the objective requirements for the practice of socialism. Third, the contents of the theory on building socialism with Chinese characteristics in coordination with the emancipation and development of productive forces.

He Zhukang said: Over the past years, Jilin has made rapid headway in economic construction. However, when compared with the coastal areas and some other advanced province and municipalities, we still have a long way to go. To narrow the gap, we should fundamentally understand and grasp the theory on building socialism with Chinese characteristics. The publication of Volume 3 of the *Selected Works of Deng Xiaoping* has provided us with the best teaching materials for studying and grasping the theory on building socialism with Chinese characteristics.

He Zhukang confidently said: I believe that through study and implementation, our country will be able to develop and elevate its social productive forces to a new high.

Jilin Rural Work Conference Ends 22 Nov*SK2311094093 Changchun Jilin People's Radio Network in Mandarin 2300 GMT 22 Nov 93*

[Text] The four-day rural work conference held by the provincial party committee concluded on 22 November. Focusing on the work tasks defined at the conference, Governor Gao Yan spoke on ways to organize their implementation and specific measures. Governor Gao Yan said: Peasants are the key of the three issues of agriculture, rural areas, and peasants. Peasants' enthusiasm will directly affect the progress of rural reform and development. For this reason, we should conscientiously implement policies, strengthen the measures for protection, and fully boost peasants' enthusiasm for production. We should conscientiously implement the policy on the protection price for grain and make sure that, when purchasing grain, accounts are made on the spot with cash and that no IOU's are issued. Problems should be investigated and responsibility affixed regardless of the level. We should also be determined to reduce the burdens on peasants and strictly abide by the stipulations on the items and amounts of the fees to be levied so as to end the collection of the fees and donations not prescribed in contracts. After peasants pay in lump sum the unified accumulation funds, no units or individuals are permitted to collect extra funds from peasants under any excuse.

Gao Yan pointed out: We should expand adjustment, pursue comprehensive development, and continuously optimize the rural production setup. Judging from the actual conditions of the province, we should develop grain production steadily and exert more efforts to improve its quality and efficiency. Construction of provincial-level marketable grain production base counties should be accelerated, and their comprehensive production capacity improved so that their advantages in grain production can be turned into economic advantages as soon as possible. Meanwhile, we should actively develop diversifying the economy and expand its scale to increase economic returns. We have great potential in developing diverse production in both range and quality. In particular, we have greater potential in raising returns through an economy of scale, which should be regarded as the focus of the province's rural economic development. We should greatly tap the potential for the development of cash crops, forests, fruit trees, vegetables, and aquaculture and expedite the exploitation and utilization of the resources of Changbai Shan. Animal husbandry, as an important part of the development of high-yield, good-quality, and high-efficient agriculture, is becoming important production in the rural economy, and we should attach great importance to it. Township enterprises, which play a special and irreplaceable role in leading peasants to affluence and a fairly comfortable life and in industrializing rural areas, should be regarded as a strategic focus of the province's economic development and should be developed with the same efforts as we devote to grain production and state-owned large and medium-sized enterprises. The province's current development of the tertiary industry in rural areas, which is notably sluggish, is the weak link in rural

economic development. Therefore, party committees and governments at all levels must place the development of rural tertiary industry in an important position. At present, they should give prominence to the building of markets and give full play to the role of the market in promoting the tertiary industry and in facilitating and guiding agricultural production. We should accelerate the establishment of the rural market system, improve the functions of the market, and promote the development of the rural tertiary industry, such as transportation, telecommunication, and catering service, if we are to build markets well, enliven the economy of an area, and make the people affluent.

Governor Gao Yan emphasized: We should pay attention to key links, surmount the difficulties in work, and develop agriculture through more application of science and technology and greater promotion of education. We should further pool efforts to make the endeavor of developing agriculture with science, technology, and education more organized. We should improve policies continuously and strengthen the incentive mechanism for this endeavor to mobilize the positive factors from all quarters. We should conscientiously strengthen service, expedite the dissemination and application of scientific and technological achievements, and transform more of those achievements. The transition of the planned economy to the market economy in the rural area, in the final analysis, involves the process of peasants entering the market. Therefore, we should strengthen cooperation between economic departments and peasants, do a good job in socialized service, and organize and guide peasants to enter the market. Some specific measures are: 1) Greatly developing an economy where peasants entrance into the market is directed and organized; 2) Strengthening coordination between production and marketing and using the purchasing and marketing contracts to push peasants into the market; and 3) Developing an intermediary service organization to help peasants enter the market.

Governor Gao Yan also emphasized in his speech: Strengthening the fundamental position of agriculture is by no means an empty slogan. It requires corresponding material and technological foundation to serve as its guarantee. Therefore, we should collect funds from various channels, increase investment, greatly tap the potential for development, and continuously enhance the capacity for sustained agricultural development. The rural economy plays a decisive role in the province's economic development and its endeavor of building a developed border province near the sea. Governments at all levels should conscientiously put it in the first place to strengthen agriculture and rural work, adopt realistic measures to do practical work, organize and lead peasants to affluence, and make still greater contributions to promoting rural reform and agricultural development.

Liaoning Secretary Visits Women's Federation*SK2511071293 Shenyang Liaoning People's Radio Network in Mandarin 1000 GMT 24 Nov 93*

[Text] On the morning of 22 November, Gu Jinchu, secretary of the provincial party committee, visited all

office cadres of the provincial Women's Federation and gave a speech on strengthening women's work.

Gu Jinchi pointed out: At present, our province is conducting the second pioneering program. Twenty million women across the province are playing a decisive role in this practice. Currently, we must grasp well three tasks. First, we must strengthen the building of leading bodies of the provincial Women's Federation in an effort to bring along the building of cadre contingents of the Women's Federation. Second, we should exert great efforts to train and select female cadres so as to help a great number of outstanding female personnel to assume leading posts as quickly as possible. Third, we should realistically strengthen education, enhance the ideological quality as well as the scientific, technical, and cultural quality of women across the province and strengthen their ability to participate in the market economy.

Liaoning's Cable Communications Project Under Way

SK2411030793 Shenyang LIAONING RIBAO in Chinese 10 Nov 93 p 1

[Summary] The Liaoning section of the Beijing-Shenyang-Harbin fiber optical cable communications project is under full construction. As of 30 October, more than 1,480-kilometer-long ditches for laying fiber optical cable communications lines were dug and more than 1,384-kilometer-long fiber optical cable communications lines were laid. The Liaoning section of the project is 1,890 kilometers in length and will be completed in early November [as published]. Upon completion, this project will provide Liaoning with 25,500 long-distance electrical circuits.

Northwest Region

Gansu 'Overfulfilling' Grain Purchase Quota

HK2411050693 Lanzhou Gansu People's Radio Network in Mandarin 2300 GMT 15 Nov 93

[Text] By 5 November of this year, Gansu had purchased and stored more than 534 million kilograms of wheat, thus overfulfilling this year's summer grain purchase quota.

Gansu's summer grain output reached an all-time high this year. Given lower grain prices and relaxed grain operational control, governments at all levels across the province made conscientious efforts to secure successful grain purchases by adopting forceful measures to tackle practical problems through enhanced coordination among themselves.

Meanwhile, all departments concerned also closely cooperated with one another in raising and coordinating grain purchase funds as well as in implementing the relevant state policies. As a result, the province basically eliminated the IOU phenomenon and overfulfilled this year's summer grain purchase quota ahead of schedule.

Gansu Cancels 80 Fees Involving 9 Departments

HK2311023693 Lanzhou Gansu People's Radio Network in Mandarin 2300 GMT 13 Nov 93

[Excerpt] Yesterday [13 November], the provincial finance department and commodity price committee briefed the press on the first batch of 80 fees to be canceled in the province. These fees involve nine departments: public security, personnel, industrial and commercial administration, civil affairs, construction, transportation, railways, public health, and education.

The 14 fees to be canceled in the public security sector include: Criminal case handling fees, [words indistinct] on stolen bicycles, and reporting charges.

The seven fees to be canceled in the personnel department include: Service charges on recommendations, appointments, training and reinforcement, and cadre transfer service charges.

In the industrial and commercial administration sector, 19 fees are to be canceled, which include: Local charges on the business license of industrial or commercial enterprises, compensated service charges for certification of private or foreign-funded enterprises, and charges for keeping watch on donkey-drawn carts in the market. [passage omitted]

Qinghai Circular Restricts Leaders' Activities

HK2411064693 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 15 Nov 93

[Excerpts] On 11 November, the provincial government general office issued a circular on imposing strict and unified control over provincial government leaders attending meetings in the province and a circular demanding that provincial government leaders remain honest in handling matters concerning their families or relatives. [passage omitted]

The circular on imposing strict and unified control over provincial government leaders attending meetings in the province contains the following four regulations:

1. Provincial government leaders should in principle decline to attend ordinary meetings held by various localities or departments;
2. Provincial government leaders, except for those with special responsibilities, should decline to attend specialized provincial conferences and major departmental meetings;
3. Provincial government leaders should in principle decline to attend inauguration ceremonies, ribbon-cutting ceremonies, and other ordinary ceremonies;
4. Provincial government leaders, except for those with special responsibilities, should decline to participate in the above-mentioned specialized ceremonial activities. All invitation letters should be addressed to the provincial government general office's comprehensive department for unified distribution, rather than to individual provincial government leaders.

The circular demanding that the provincial government leaders remain honest in handling matters concerning their families and relatives contains the following four regulations:

1. Provincial government leaders should not exert influence over units with a view to making things easy for their families or relatives in concluding business deals, running enterprises, or handling personal matters;
2. In the workplace, units should treat provincial government leaders' families or relatives in the same way as other staff and workers;
3. Units should strictly abide by rules and regulations in dealing with the provincial government leaders' families or relatives and make no allowances for them;
4. Units that approached by people demanding for special favors in the name of the provincial government leaders' families or relatives should immediately inform the provincial government general office. [passage omitted]

Shaanxi Experiences 'Rapid Economic Growth'

HK2311010993 Xian Shaanxi People's Radio Network in Mandarin 0500 GMT 12 Nov 93

[Text] According to the Shaanxi Provincial Statistics Bureau, the province has registered sustained and rapid economic growth this year.

Preliminary statistics indicate that by the end of the third quarter of this year, the province's total domestic output value had reached 42 billion yuan, representing a 14.8 percent increase over the corresponding period last year.

Industrial output, the province's second industry, which accounts for more than half of Shaanxi's domestic output value, attained the highest growth rate thus far. In the first three quarters of this year, the province's industrial output value rose by 21.5 billion yuan, representing a 23.9 percent growth over the same period last year.

This year, the province's first industry has also witnessed rapid growth: The province reaped an excellent harvest of grain and economic crops with its total agricultural output value standing at 9.6 billion yuan in the January-September period, up by 11.8 percent over the corresponding period last year, signalling the province's highest agricultural growth rate since reform and opening up.

Despite a series of rapid increases concerning Shaanxi's first and second industries, the province's tertiary industry has remained a weak link in overall economic development to date. In the January-September period, the province's tertiary industry witnessed only a 0.8 percent growth. Moreover, the province's overall economic growth

is still being handicapped by some long-standing problems such as excessive investment speed, excessive price hikes, lack of agriculture-oriented funds, the slow pace of structural readjustment, and so on.

In view of the current situation, Shaanxi should make unreserved efforts and strive to vigorously push ahead with tertiary industrial development and constantly improve economic efficiency.

Xinjiang Makes Economic Construction 'Progress'

OW2311113593 Beijing XINHUA in English 1031 GMT 23 Nov 93

[Text] Urumqi, November 23 (XINHUA)—The Xinjiang Uygur Autonomous Region in northwest China has witnessed great progress in its economic construction over the past few years, thanks to its geographic conditions and improved environment.

Bordering on eight countries, Xinjiang has 5,400 kilometers of frontier and ten border prefectures. It also constitutes the only land pass linking China with Central Asia.

In recent years, 14 state and regional ports have been opened to the outside, and 33 border townships have been approved for conducting border trade with neighboring countries.

In the first ten months of this year, the border trade volume reached 400 million U.S. dollars, more than the total of 1992.

Relying on its geographical position, the Xinjiang Uygur Autonomous Region has developed cooperative trade and economic relations with over 50 countries and regions, especially with its neighboring countries.

To make full use of regional resources, the region has made great efforts to attract domestic and overseas funds over the past few years.

According to official statistics, in 1992, more than 200 joint ventures were approved in the region, whereas by the end of 1991, only 46 foreign-funded enterprises had been approved.

Meanwhile, more than 20 countries and regions around the world, including the United States, Britain, Japan, Germany and Hong Kong, have poured big money into the region or set up enterprises there.

For example, Hong Kong-based Yat Chau Holdings Ltd. has invested millions of yuan in Horgos [as received] in a bid to establish an international trade center there.

In 1991-92, the state invested 20.8 billion yuan (about 3.7 billion U.S. dollars) in the region to boost the development of infrastructure.

Twenty-nine domestic and two international air routes have been opened, and some two billion yuan (about 351 million U.S. dollars) has been invested in building and expanding the region's airports.

A double-track rail route has been opened from Urumqi, capital of the region, to Almaty.

In the meantime, ten highways have been opened between Xinjiang and Turkey.

The telecommunications network has made giant strides in recent years. The first Asia-Europe optical fiber telecommunications line from Shanghai to Frankfurt via Xinjiang will be set up and go into operation next year.

Xinjiang is rising to its peak of prosperity, according to Dong Fureng, a well-known Chinese economist who just finished an inspection of the region.

Xinjiang Produces 12 Percent of World Hops Crop

*HK2411103393 Beijing ZHONGGUO XINWEN SHE
in English 0930 GMT 24 Nov 93*

[Text] Urumqi, November 24 (CNS)—The Xinjiang Uygur Autonomous Region in China's northwest is the country's biggest producer of hops with an annual production of 10,000 tonnes to 12,000 tonnes, accounting for 12 percent of the world's total output.

Over 600 breweries in China are supplied with hops from Xinjiang, meeting more than 70 percent of the total demand in the country. It is also exported to a number of countries including Vietnam, Laos, Thailand, Cambodia, Singapore, Romania, Poland, Germany and Belgium which make up 90 percent of all hops exported annually from China. [sentence as received]

Foreign Minister Attends Legislative Forum**Views Term 'Two Chinas'**

OW2611083193 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 24 Nov 93

[Report by China Broadcasting Corporation correspondent Wen Wei-chin at the Legislative Yuan, from the "Hookup" program—recorded]

[Text] [Wen] The Legislative Yuan's Foreign and Overseas Affairs Committees on 24 November invited Foreign Minister Chien Fu, Economics Minister Chiang Ping-kun, and Director Hu Chih-chiang of the Government Information Office to a joint session to report on the results of our country's efforts to develop relations with East European and CIS states. At the session, Chiang Ping-kun's recent remark at the Asia-Pacific Economic Cooperation [APEC] forum aroused deep concern among legislators. Foreign Minister Chien Fu gave a special report on this. In reply to an inquiry from Chiang Wei-ping, (Chen Li-jen), and other legislators, the foreign minister said he personally had never used the term two Chinas; in retrospect, he felt that the wording of two Chinas at the present stage is not appropriate, because a complex situation cannot be properly explained in a few simple words.

[Chien] I personally have never used the term two Chinas. One must not use a few words to describe a complex situation; it would be unwise to do so.

[Unidentified legislator] What term was used in the reference materials we had prepared?

[Chien] Looking at the materials afterwards, there were such terms as two Chinas at the present stage. I told my colleagues that the wording was not appropriate.

[Wen] However, Chien Fu emphasized that this incident was entirely started by Communist China. Chiang Ping-kun's remark does not contradict the government policy; the government's policy toward the mainland remains unchanged.

Offers To Resign

OW2611100393 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 24 Nov 93

[Report by correspondent Wen Wei-chin at the Legislative Yuan, from the "Hookup" program—recorded]

[Text] [Wen] At the Legislative Yuan's Foreign and Overseas Affairs Committees on the afternoon of 24 November, legislators still continued to query Foreign Minister Chien Fu and Economics Minister Chiang Ping-kun on related issues concerning the so-called two Chinas at the present stage [chieh tuan hsing liang ko chung kuo 7132 3008 1840 0357 0222 0022 0948]. In response to Legislator Ke Yu-chin's inquiry, Minister Chien Fu said: The term two Chinas at the present stage is definitely not a government

policy at the present stage; and the government's objective toward unification definitely remains unchanged.

[Unidentified legislator] By using the term the policy of two Chinas at the present stage [chieh tuan hsing liang ko chung kuo cheng tse 7132 3008 1840 0357 0222 0022 0948 2398 4595], does it mean that our objective toward unification has already changed?

[Chien] Our objective toward unification definitely remains unchanged. I spent the whole morning trying to say that I do not like to use a few simple words to describe a very complex situation.

[Reporter] After continually reiterating the government stance in response to legislators' successive inquiries for the whole day, both Ministers Chiang Ping-kun and Chien Fu lost their tempers when answering Legislator Wang Tien-ching's question. After being repeatedly criticized by Legislator Wang Tien-ching, Chien Fu indicated that he could resign anytime. [indistinct, loud argument heard in background]

[Chien] We are very willing to leave.

[Reporter] In response to Legislator Ke Yu-chin's inquiry on a criticism by some members of the ruling party that the Foreign Affairs Ministry's bid to join the United Nations has been done in coordination with the Democratic Progressive Party's plan, Chien Fu once again expressed his (?shock).

[Chien] I feel I have been treated very unjustly. I really do not know what to do. I think the best way out is for me to leave this post.

[Reporter] Chien Fu reiterated that government policy decision is definitely accountable to people of the whole country.

Li Teng-hui Reiterates One-China Policy

OW2611061493 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 24 Nov 93

[Report by CBC correspondent Chang Yu-feng at the Kuomintang Central Committee's headquarters from the "Hookup" program—recorded]

[Text] [Chang Yu-feng] As members of the ruling Kuomintang [KMT] party, Chairman Hsiao Wan-chang of the Council for Economic Construction and Planning and Economics Minister Chiang Ping-kun reported on our country's participation in the Asia-Pacific Economic Cooperation [APEC] forum at the KMT's Central Standing Committee meeting on 24 November. Chairman Hsiao described the country's participation in the APEC forum as highly successful and fruitful. While giving a supplementary explanation, Chiang Ping-kun said his remark about the policy of two Chinas at the present stage was based on the Foreign Ministry's materials in explaining to foreign countries that the ROC is an independent sovereign state. Li Huan, a member of the Central Standing Committee, had doubts about Minister Chiang's

explanation and sought clarification from the ruling party. On this, the Chairman, Mr. Li Teng-hui, explained that Minister Chiang made the remark in Seattle in response to Communist China's fragrant rhetoric on Taiwan being a PRC province. The chairman reiterated that we have not changed and will not change our policy of one China, which is the ROC. Chairman Li's explanation was (?relayed by a spokesman):

[Unidentified person] He [Li] especially emphasized that we pursue China's reunification and insist on one China, which is the ROC, in accordance with the National Reunification Program. This principle will not change and has not changed. He pointed out, in particular, that Minister Chiang's remark in Seattle was made in response to Communist China's flagrant rhetoric on Taiwan being a PRC province.

[Chang] Meanwhile, Chairman Li said at the Central Standing Committee meeting that our country's delegation to the APEC forum, headed by chairman Hsiao Wan-chang, should be commended for its accomplishments.

Delegation Attends Wildlife Conservation Meeting

*OW2411173593 Taipei CNA in English 0823 GMT
18 Nov 93*

[By C. C. Chen and Lilian Wu]

[Text] London, Nov. 17 (CNA)—A delegation from Taiwan met with representatives of international wildlife conservation groups in London Wednesday [17 November] to discuss Taiwan's wildlife conservation efforts.

The five-man Taiwan delegation, led by Li San-wei, deputy director of the Council of Agriculture's Forestry Department, met with James Martin Jones and Alison Lucas of the Worldwide Fund for Nature [WWF], Jonathan Knocker of Friends of Conservation and Michel Day of Tiger Trust, among others.

During the meeting, the representatives urged Taiwan to complete revision of the Wildlife Conservation Law soon and set up a special agency to enforce the law.

Only if Taiwan meets these two demands before the Convention on International Trade in Endangered Species (CITES) convenes in March, they said, will Taiwan avoid further threats of trade sanctions.

The representatives added they were aware Taiwan has stepped up conservation efforts recently, but called for proof of substantial results and the formation of a specialized conservation enforcement agency.

Alison Lucas also said the WWF would like to mediate so that Taiwan can attend the March CITES meeting and explain its most recent conservation measures. Taiwan cannot attend the meeting because it is not a member of the United Nations. CITES is a UN-affiliated group.

Taiwan delegation leader Li San-wei said besides explaining Taiwan's conservation efforts during the current trip, his group would also seek to learn experience from the international conservation groups and seek support to enter the groups.

Li added that Taiwan has already ruled out setting up a specialized wildlife enforcement force, opting instead to ask each police station to set aside a group of officers to enforce the revised Wildlife Law.

Li and his entourage will stay in London until Nov. 22. The group will then travel to Switzerland.

Comparison on Peace Charter Draft Text

OW2411085193

Taipei LIEN HO PAO in Chinese on 16, 17, and 18 November publishes in three installments an article, entitled "Peace Charter (Draft)." The Taipei LIEN HO PAO version has been compared with the Hong Kong LIEN HO PAO version, published under the subheading "'Text' of Charter," in the Political & Social section of the 16 November China DAILY REPORT, page 24-27, and was found to contain the following variation:

Page 24, Column two, first paragraph of item reads: ["Peace Charter" (draft) by Chin Yong-min (4440 3057 2404) in Beijing on 11 October 1993; first three paragraphs are LIEN HO PAO editor's note] [new paragraph]

The "Peace Charter" (draft), published in Beijing on 14 November, is a spontaneous proclamation for democracy rarely seen in the mainland in recent years; and it has produced powerful shockwaves both within the Communist Chinese regime and the pro-democracy movement on the mainland.

The charter has been enriched, revised, and perfected after extensively soliciting signatures and opinions. It explicitly reveals that reform for political pluralization and democracy is an irresistible necessity of history, and urges the Communist Chinese authorities to show sincerity in carrying out peaceful changes in the political system from top to bottom while reducing the negative effects, that is, the destructive effects on the people's livelihood, to the minimum.

With "feasible" principles, the "charter" demands that the CPC abolish "counterrevolutionary crime," lift the ban on organizing political parties, observe all resolutions on human rights adopted by the United Nations, redress the wrongs done in the "4 June Incident," release all political prisoners, formulate a strategy for political pluralization and democracy, and so on and so forth. It also urges the two sides of the strait to hold negotiations on an equal footing and convene a roundtable conference to promote peaceful reunification. These suggestions and procedures, which crystallize the painstaking efforts of pro-democracy personages in the mainland for more than a decade, show boldness of vision and historical far-sightedness that surpass the limits of time and space. They are rare documents on democracy. [new paragraph]

Over the past 10 years and more... (providing variant editorial note and additional material)

Hong Kong

Continued Reports on UK-PRC Hong Kong Talks

PRC Hopes for UK Sincerity

HK2511060093 Beijing ZHONGGUO XINWEN SHE
in Chinese 1152 GMT 24 Nov 93

[By reporter Gan Zhebin (3927 5764 2430)]

[Text] Beijing, 24 Nov (ZHONGGUO XINWEN SHE)—When meeting a delegation from the Hong Kong Electronics Association today, Wang Qiren, deputy director of the Hong Kong and Macao Affairs Office under the State Council, said: Sixteen rounds of Sino-British talks on the 1994/95 electoral arrangements for Hong Kong have been held. The Chinese side has taken practical and constructive steps and has made important concessions. Talks are valued for being fair and reasonable and not reaching out for a yard after being given an inch. We hope that the British side will show genuine sincerity and will not "bring up difficult issues to hamper the solution of easier ones" in the talks.

Wang Qiren said: In light of the actual conditions of the talks, the Chinese side favors pushing the talks forward by adopting the method of tackling easy issues before solving difficult ones. However, the British side suddenly raised these issues in the next step for discussion in the current talks. This means not only "making use of the solution of easier issues to create difficulties" but also "bringing up difficult issues to hamper the solution of easier ones."

He said: In the Sino-British talks, the Chinese side's "three conformities" principle is firm and unshakable. This is because, if what is achieved in the talks does not conform to the Sino-British Joint Declaration, there will not even be a guarantee for China's resumption of sovereignty over Hong Kong beginning on 1 July 1997; if it does not converge with the Basic Law, how can we begin to talk about "the through train?"; and if it does not conform to the agreements and understandings which China and Britain have reached, what do the current talks mean?

Wang Qiren said: If the British side does have sincerity and acts according to the "three conformities" principle, it will be not difficult to reach agreements and the talks would not have dragged on to this day.

He stated: The 17th round of Sino-British talks will start soon. The Chinese side is still fully sincere about the talks and hopes that the British side will think about the future of Hong Kong and the interests of the Hong Kong people and will reach an agreement at an early date. The Chinese side hopes for cooperation and not for the emergence of things it is unwilling to see.

Wang Qiren expressed his appreciation for what has been done by the Hong Kong Electronics Association in promoting the development of Hong Kong's electronics industry and his support for exchanges and cooperation in the industry between Hong Kong and the mainland.

UK Warned on 'Unreasonable Requests'

HK2511054293 Hong Kong SOUTH CHINA
MORNING POST in English 25 Nov 93 p 5

[Report by Doreen Cheung]

[Text] The Chinese Foreign Ministry yesterday warned Britain not to raise new issues in the talks with China. The warning was contained in a statement issued yesterday after a meeting between the British Foreign Secretary, Douglas Hurd, and the Chinese Ambassador to Britain, Ma Yuzhen.

China maintained its position of excluding the voting method for the 1995 Legislative Council [Legco] elections from discussions on polls for the district boards and municipal councils. The statement said Britain should know why progress in last week's 16th round of talks had been slow. China hoped that Britain would adopt a reasonable attitude and not put forward unreasonable requests, the statement added.

The Deputy Director of the Hong Kong and Macao Affairs Office, Wang Qiren, yesterday told a Hong Kong delegation that Britain had blocked progress on the less contentious issues by putting forward more controversial ones. Emerging from a meeting with Mr Wang, Lui Mingwah, leading a delegation from the electronics industry, quoted the deputy director as saying that China would like to see progress in the next round of talks which are due to begin tomorrow.

Mr Wang told them that China hoped that both sides could show sincerity to reach agreement in accordance with the three principles. It is understood that Mr Wang told the delegation that Britain had put forward some ideas based on Governor Chris Patten's proposals in the last round of negotiations.

Since that round had been expected to focus on less contentious issues, Mr Wang criticised Britain for "jumping the gun" by raising the more difficult issues which should be discussed in the forthcoming round. Mr Wang said that China had made important concessions in the talks, but given an inch, Britain had tried to take a yard. He said it was improper to put any resolution from Legco forward for discussion in the talks, which was a matter between China and Britain.

In the last round of talks China maintained that only the less contentious issues relating to polls for the district boards and municipal councils—lowering the voting age to 18, abolishing some appointed seats and the single-vote, single-seat system—could be discussed. But Britain insisted that the single-vote, single-seat system should also apply to the Legco polls.

The chairman of the Democratic Alliance for the Betterment of Hong Kong Tsang Yok-sing, said China had not totally rejected the idea of the single-vote, single-seat system for Legco. He said China was looking into several options regarding the voting method for Legco. Executive Councillor Professor Edward Chen Kwan-yiu said Mr Hurd had summoned Mr Ma because time was running

out for an agreement. Noting that there would be two breaks in Legco, in December and February Professor Chen said the British side should take stock of the situation after the 17th round of talks.

UK 'Distorting' PRC Plan

OW2511151393 Beijing Central Television Program
One Network in Mandarin 1100 GMT 25 Nov 93

[From the "National News Hookup"]

[Text] [Video shows Zhang Junsheng at a podium addressing the gathering] On the evening of 24 November XINHUA NEWS AGENCY Hong Kong Branch Deputy Director Zhang Junsheng attended a meeting held by the Students Association of Hong Kong. In answering a reporter's question, he criticized Britain for distorting the principle put forward by China of tackling easier questions first and for deliberately placing obstacles to hinder the reaching of an initial agreement. As a result, the 16th round of Sino-British talks did not achieve the progress it should have.

Zhang Junsheng stated: Britain insisted the relevant election issues for 1995 be discussed together with the 1994 election arrangements, and that the appointment system be scrapped. After the 16th round of talks, Britain repeatedly threatened to submit Patten's package to the Legislative Council if an agreement is not reached by the end of the year in an attempt to exert pressure on China.

He added: Exerting pressure on China by using these methods will not achieve anything. Britain has indicated time and again it hoped to quicken the pace of the talks. If it really means it, Britain should demonstrate sincerity with actual deeds so as to quicken the progress of the talks.

Editorial on 'Talks Failure'

HK2611053293 Hong Kong TA KUNG PAO in Chinese
25 Nov 93 p 2

[Editorial: "Strive For Initial Agreement by Removing Obstacles"]

[Text] The 17th round of Sino-British talks on arrangements for elections in Hong Kong will start in Beijing tomorrow. On the eve of the talks, in the small hours of yesterday (Hong Kong time), British Foreign Secretary Douglas Hurd summoned the Chinese ambassador to Britain, Ma Yuzhen. Immediately, the British media dispatched news that Hurd's move was an "expression of the seriousness of the situation to the Chinese side," "the British side felt 'indignant' about the failure of the just-concluded 16th round of talks to yield results, and if there was still no way to achieve a first-stage agreement in the coming round of talks, the British side would decide next month if the talks were to be terminated." Look, the British side has once again brought pressure to bear and has intimidated people. However, how can it be possible that the Chinese will be overwhelmed and scared of this?

In fact, striving for an agreement at an early date is precisely the wish of the Chinese Government and is also

the wish of the Hong Kong people. So long as China and Britain take adherence to the principle of the "three conformities" as the foundation, there should be no difficulty in reaching agreement and the two sides should not have held talks for 16 rounds. The British side's unwillingness to scrap Chris Patten's "three violations" package has caused the current deadlock. Before the 16th round of talks, the British side expressed its willingness to accept the negotiating method of tackling easier issues first, which the Chinese had proposed, and many people thought there would be a turn for the better in the talks between China and Britain, and the talks would enter the village as described in a verse which reads: "The shady willows and bright flowers bring one to another village." However, progress remains very limited. With regard to the failure of the talks to yield an initial agreement, the British side made a gesture in an attempt to bring charges against the Chinese side. This is simply a trick of making false accusations.

The meaning of the so-called "tackling easier issues first" is quite clear. The Chinese side's statement on the issue has always been clear. The so-called "easy" issue refers to the 1994 electoral arrangements for the district boards. The British representative at the talks, Robin McLaren, openly admitted it when he said: "The British side holds that the issue of the 1994 electoral arrangements for the district boards can be solved relatively easily." "Separately handling" the issue of the 1994 and 1995 elections means first reaching an agreement on the 1994 district board elections, where time is relatively pressing, and then discussing the 1995 electoral arrangements for the municipal councils and the Legislative Council. This is also the view of people in Hong Kong society. The issues which need to be solved in the electoral arrangements for the district boards are simply the voting age, the voting method, and the handling of appointed seats. The Chinese side has expressed the greatest flexibility on the three issues. If the British side had sincerity, an initial agreement could have been reached at the 16th round of talks. However, at the "crucial juncture [guan jie yan 7070 4634 4190]," the British side raised another new demand and insisted that the voting method for the 1995 Legislative Council elections should be discussed at the current talks. Thus, the "easy" issue was made "difficult" and a simple issue was complicated. Is it not clear who is to blame for the talks running into an obstacle?

The district board and the Legislative Council elections are to be held in two different years. Moreover, the district boards and the Legislative Council are essentially different in nature and are widely different in terms of the number of seats. The "Basic Law" stipulates: District organizations in Hong Kong are not organs of political power. The law does not demand the abolition of appointed seats in district organizations. As far as the future Legislative Council is concerned, it will exercise the legislative power of the Special Administrative Region, all of whose seats will be decided through elections. The district boards have about 300 seats in all. A single-seat, single-vote system is used to elect board members in 300 constituencies, each with a population of some 10,000 people. In the 1995

Legislative Council elections, 20 seats will be subject to direct elections in separate constituencies. If the single-seat, single-vote system is adopted in this regard, the number of constituencies will be 20, each with a population of 300,000 people. If elections are conducted, the results would be completely different. Moreover, in the Legislative Council, there are seats elected by functional groups and an election committee. Seats elected by the three methods should be complementary as far as possible in order to achieve balanced participation. How then can the district board elections and the Legislative Council elections be grouped together?

Election methods, such as the single-seat, single-vote system, the multiseat, single vote system, and the proportional representation system are used in the world, and one cannot say conclusively which one is more fair. The adoption of election methods is decided by actual local conditions. In a recent speech in Japan, a member of the British Hong Kong Executive Council openly misled the public when she said: In the past, Japan adopted a multi-seat, single-vote system, but has now switched to the single-seat, single-vote system. She dealt with just half of the issue, generalizing on the whole situation by basing on one part. Japan's recent election reform package has two points: With the exception of 274 seats subject to election through single-seat constituencies, the other 226 seats will be elected through a proportional representation system. Japan needed to abolish the multi-seat, single-vote system, because, in the past, under the long one-party rule of the Liberal Democratic Party, the system encouraged money politics. In Hong Kong similar objective conditions do not exist. Election methods have a direct bearing on election results. This was the reason for Japan's adoption of a two-seat election system. Two former Japanese prime ministers failed to pass the elections test just because of the electoral arrangement issue. The British side terms this as an "easy" issue in an attempt to press the Chinese side to accept Patten's package by practicing deception. Is this viable?

The Chinese side sincerely put forth the negotiating procedure of tackling the easier issues first and has made big concessions, but the British side immediately reached out for a yard after taking an inch and set up new barriers to the talks. This fully shows that the Chinese side has to adhere to its principles and stand and that responsibility for the talks' failure to make significant progress does not lie with the Chinese side.

'Analysis' Views Talks

HK2611064293 Hong Kong SOUTH CHINA
MORNING POST in English 26 Nov 93 pp 1, 5

["Analysis" by political editor Fanny Wong]

[Text] Sino-British negotiators face off across the table in Beijing today in what is possibly a make-or-break session on whether the two sides can reach even a first stage accord on the 1994/95 electoral arrangements.

The outcome will be pivotal to whether Governor Chris Patten and his top advisers in the Executive Council decide to table the electoral bill to the Legislative Council [Legco] on either December 8 or December 15.

The war of words between officials from both sides over the past few days on what might be in the parcel of "simple issues" has poured some cold water on the hopes of the optimists who prefer an agreeable agreement. Accusing fingers are now being pointed from both sides, denouncing the other of a lack of sincerity in reaching an agreement by creating new problems or demands at the talks.

Observers must be puzzled at the ebb and flow of negotiations over how Hong Kong people should elect their representatives in three tiers of government. What is a formality for most governments is complicated by a momentous glitch of history: Britain hands back its last colony, a cosmopolitan enclave of about six million affluent people to China in 1997, only two years into the life of the last legislature.

Immediately after the 15th round, there were all the positive remarks for the hope of at least a mini-accord on the so-called simple issues that might smooth the transition. There was reason to believe China would accept the proposals about voting age and the method of balloting, as well as an end to the practice of the Government appointing members, for the district board and municipal council elections.

Only three weeks later, at the end of last weekend's 16th round, it emerged that instead of near agreement, there appeared to be a widening rift between the two sides. Each side began accusing the other of reneging on previous positions.

What has gone wrong? Who is not keeping their word? By the 15th round, the British negotiator Sir Robin McLaren had apparently persuaded Beijing's man, Jiang Enzhu, to concede to lowering the voting age from 21 to 18 and adopting a single-seat, single-vote election method for the three-tier elections. Beijing would accept the abolition of appointed seats for the municipal councils and district boards. But when new man Christopher Hum, forced to take the hot seat because Sir Robin had to undergo back surgery, turned up a few minutes late for Round 16, he found that Mr Jiang and his team were in a different mood. The Chinese camp said British officials were at fault by creating new demands.

The simple issues to be sorted out before proceeding to the difficult subjects of a "through train" on which those elected will travel beyond 1997 and functional constituency and election committee polls were only those pertaining to district and municipal elections. The British, however, wanted to lump the arrangements for voting age and method for the Legislative Council into the package of simple issues.

The public haranguing over the past few days reflects a fundamental difference in the understanding and interpretation of the nature of a "simple issue".

There appears to be no argument provided they talk about voting age, ballot papers and lower-tier elections.

Beijing suggested that to promote an accord, it would not object to the abolition of the 141 appointed seats in the district boards and 27 in the Urban and Regional Councils in the run-up to 1997.

It reserves the right, however, to re-introduce appointments after the handover. Speculation after the 16th round that China was still opposed to scrapping the appointment system seemed to point to a widening gap. But this might just as easily have been a smoke-screen which will allow Beijing to appear to be conciliatory, by making concessions, if a deal is finally done on abolishing the appointed seats, even though all it is conceding is its bottom line on the subject.

To China, such a deal already amounts to a major concession although British Officials will certainly disagree.

In Zhongnanhai, a partial or mini-accord proclaiming consensus on voting age and method for the lower-level bodies and the abolition of appointed seats, albeit conditional, might sound like a wonderful deal. At No 10 Downing Street, they would be asking what has been achieved, considering that they would have acquiesced to Beijing reviving the appointment structure they sought to terminate.

Even worse is that they cannot get some sort of undertaking on voting age and the single-seat, single-vote election method for the more important Legislative Council poll, matters deemed by Mr Patten to be straightforward. If the game were unfolding on a level-playing ground where there would be some give and take, British negotiators would likely be only accepting China's formula for abolishing appointments if, in exchange, there was Beijing's consensus on the voting age and method for Legco.

Based on what Chinese officials have said in public and in private, there is not much chance of such a "give" in the "take".

It comes down to what happens by tomorrow afternoon.

If there is nothing positive to say about the three simple things, Mr Patten will decide on Tuesday when to table the electoral bill. The preparations for that are in hand.

An ideal opportunity for Mr Patten to explain whatever course of action the British side is going to take comes next Thursday, when he goes before legislators for their regular question time.

He is under pressure from liberal legislators not to kowtow to China and there is a practical timetable on getting the bill for the elections through the legislature in time.

If there is no deal by tomorrow afternoon and no immediate prospect that the situation will change, the Government will most likely present the bill on either December 8 or December 15.

But should the worse come to worst and the bill is tabled without any agreement, there is another major decision - what legislation should be put to the lawmakers. The bill can incorporate all the features of Mr Patten's original political package. It could be the modified one suggested to the Chinese negotiating team during the summer which envisages reducing the franchise of the functional constituency polls to one million voters and adopting a four-part structure, modelled along the Basic Law, for the Election Committee.

It could also take another form by comprising elements relating only to voting age and voting method for the three tiers of government and the abolition of the appointment system Mr Patten's package of simple issues.

The advantages of this option is that Britain has to get legislation ready for the district board and municipal council elections because of the pressing timetable.

Britain could argue that this is another friendly gesture in that it is not slamming the door on negotiations and is still exhausting the last ounce of patience in striving for an accord.

By tabling a partial bill, it can be argued that it would still leave some flexibility for both sides to continue to talk, if there is a will.

China might still say that tabling a partial bill is already a declaration that talks have ended. But the community could consider such an attitude a demonstration of Beijing's lack of flexibility.

It is still too early to say which side will win public support but what is certain is that both sides are walking a tightrope and the people of Hong Kong will pay a huge price for any miscalculation.

Governor Chris Patten, seen by some in the West as a democracy crusader, will come under fire from Martin Lee Chu-ming during the liberal legislator's tour of the United States and Canada. Speaking before leaving yesterday for the 18-day trip, Mr Lee said he would tell officials and the media that he was not happy with the concessions made by London over the 1994/95 electoral arrangements.

Mr Lee will meet Canada's Secretary of State (Asia Pacific), Raymond Chan, in Ottawa, and the U.S. Acting Secretary of State Peter Tarnoff, in Washington DC.

Commentary Previews 17th Round of Talks

HK2611074093 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1131 GMT 25 Nov 93

[By reporter Zhao Wen (6392 2429)]

[Text] Hong Kong, 25 Nov (ZHONGGUO TONGXUN SHE)—Sino-British talks have come to a crucial juncture. What will be the result of the 17th round of talks, which will be held in Beijing during the next two days? This is a matter the Hong Kong people are following with great interest.

Prior to the 16th round of talks, the British side declared that it agreed with the proposal to "have the easy issues resolved first" and Prime Minister Major sent a letter to Chinese Premier Li Peng, expressing his intention to accelerate the pace of talks and reach an agreement as soon as possible. People were thus optimistic about the outcome of the talks. However, the development of the talks was not as good as people had anticipated. None of the expected results were achieved in the 16th round of talks. After the talks, British officials, including Hong Kong Governor Chris Patten, deliberately spread the news that the British side felt disappointed at the progress of the talks, declaring that they "were unable to wait any longer" and the "Chris Patten package" should be submitted to Hong Kong's Legislative Council [Legco] in December for discussion and examination. British Foreign Secretary Hurd also summoned Chinese Ambassador to Britain Ma Yuzhen, demanding the Chinese side take positive action in the 17th round of talks. However, people can easily see that all these actions taken by the British side are aimed at creating a false situation to mislead the Hong Kong people and the media so that the responsibility for no agreement can be put on the Chinese side.

Who on earth is deliberately complicating the issue? Who on earth is changing attitudes and going back on his own word?

Since the talks began, the British side has always imposed pressure on the Chinese side with the excuse of being pressed for time. As there are many differences between both sides on the 1994 and 1995 electoral arrangements, it is not easy to have the issue resolved in a short period of time. The Chinese side has proposed "having the easy issues resolved first and handling the different issues separately." The principle is that the issues concerning the elections of the district boards and the two municipal councils in 1994, which are comparatively easier to resolve, can be resolved through negotiations before other issues. Discussions will then be focused on the 1995 Legco election issues, which are more difficult to resolve. Robin McLaren, the British representative, also openly declared that "the British side believes the issues concerning the 1994 district board elections are easier to resolve." Obviously, there should not be great differences between the two sides in understanding the proposal to "have the easy issues resolved first." If China and Britain can make a breakthrough on the issue of the 1994 electoral arrangements, there will be more time to make arrangements for the 1994 elections of the district boards and the two municipal councils which are the more pressed for time. It will also be conducive to reestablishing Sino-British relations of cooperation and mutual trust. Thus, the relatively thornier issues regarding the 1995 Legco elections can also be promoted and pushed forward and a good foundation can be laid for the latter transitional period and for the long-term cooperation between both sides.

Information from Hong Kong's press and other sources shows that the electoral arrangements for the 1994 election mainly include the voting age, the voting method, and the issue of reserving a certain proportion of appointed seats

for the district boards and the two municipal councils. In the previous stage, as the Chinese side had made important concessions, differences between the two sides on some relevant issues were reduced, particularly the progress made on the voting age and voting method. However, on the issue of reserving a certain proportion of appointed seats for the district boards and the two municipal councils, there were still differences. Nevertheless, further discussions can be held. Provided both sides proceed from Hong Kong's reality and needs, it will not be difficult for them to reach a common understanding and agreement on the 1994 electoral arrangements. Unfortunately, in the 16th round of talks, the British side misunderstood and distorted the principle of "having the easy issues resolved first," which was proposed by the Chinese side. Insisting on its original stand that "the elections at the three levels cannot be separated," the British side tried to insert relevant affairs concerning the 1995 Legco elections, including the voting method, into the discussion about the 1994 electoral arrangements. This mixed up several electoral arrangement issues which are different from each other in time, nature, and degree of difficulty. At the same time, it reiterated the "through train" issue. This was a practice of reaching out for a yard after being given an inch and "making use of the difficult issues to obstruct the solution to the easy ones." Thus, a reversal unavoidably occurred in the talks and the originally expected agreement was not reached.

An ancient Chinese saying goes: "Clever people may be victims of their own cleverness." The British side has repeatedly expressed its hope to accelerate the pace of the talks and reach an agreement as soon as possible. If it really means what it says, we hope it will adopt a reasonable attitude rather than complicating the situation and putting forward excessive demands.

UK-PRC Talks on Hong Kong Begin 17th Round

Hope for 'Successful' Conclusion

OW2611053393 Beijing XINHUA in English 0506
GMT 26 Nov 93

[Text] Beijing, November 26 (XINHUA)—Chinese Government representative and Vice-Minister of Foreign Affairs Jiang Enzhu said here today that the China-Britain talks on Hong Kong face a choice of two possibilities: a successful or an unsuccessful conclusion.

Jiang made these remarks at the beginning of the 17th round of talks on the arrangements for 1994/1995 elections in Hong Kong which he and Christopher Hum, British government representative and assistant undersecretary, held.

Jiang said the Chinese side sincerely hopes to speed up the pace of the talks to reach an agreement as soon as possible.

To this end, he said the Chinese side had made unremitting efforts and would continue to do so. But he stressed that whether an agreement could be reached or not did not depend on the Chinese side alone. It required common and practical efforts by the two sides, he added.

Jiang said the Chinese side attaches great importance to working in cooperation with the British side on the issue of Hong Kong on the basis of the Sino-British Joint Declaration and hopes to reach as soon as possible an agreement so as to facilitate the smooth transition in Hong Kong.

In order to push forward the talks, he said the Chinese side had long proposed that the two sides first address the arrangements for elections of Hong Kong's district boards and urban and municipal councils which are relatively easy to be solved and then move on to the discussions of the 1995 arrangements for elections to the legislative council.

Jiang said: "This proposal of ours is positive and constructive out of consideration of the views of the Hong Kong people and with the view to racing against time so as to make an early breakthrough in the talks."

He said the Chinese side had done its best to make great efforts for reaching an early understanding between the two sides on these issues, adding that if the two sides are sincere toward the talks, it would not be difficult for the two sides to reach an understanding.

Hum said to Jiang that the British side "fully shares your hope and your desire that these talks should come to a successful conclusion."

He added: "We attach the highest importance to working in cooperation with China over Hong Kong and the highest importance to reaching a successful conclusion to our negotiations," he said.

"We continue to believe for our part that we would assist this process if we could now come rapidly to an understanding on some of the more straightforward issues which we have to handle," he said.

The talks are expected to last two days.

'Wide Gap' in Positions

HK2611093293 Hong Kong AFP in English 0842 GMT 26 Nov 93

[By Tiffany Bown]

[Text] Beijing, Nov 26 (AFP)—Britain's negotiator revealed here Friday that London and Beijing remained far apart in a row on Hong Kong after spending the opening day of crucial talks arguing about what issues to tackle first.

"There is still a wide gap between the two sides," Christopher Hum told journalists after the first day of the 17th round of talks on arrangements for Hong Kong's last elections before reverting to China in 1997.

Hong Kong Governor Chris Patten is expected to consider proceeding unilaterally if no progress is made here on the simpler issues, which the two sides have agreed to tackle first to try to move forward the deadlocked talks. But at present negotiators are still arguing about "the issues that

we would like to see in a first-stage agreement and issues the Chinese side would like to see in a first-stage agreement," Hum said.

Before entering the talks, he said Britain believed the straightforward issues related to arrangements for both next year's district board and municipal council polls, as well as Legislative Council elections the following year. But Chinese negotiator, Vice Foreign Minister Jiang Enzhu, said they should first tackle the 1994 elections and then move onto the "relatively complicated" 1995 polls.

The negotiations, which began April to try to settle a row sparked by Patten's 1992 electoral reform proposals, seem to have made no progress from the "crossroads" reached several rounds ago. The talks "face two possibilities, that is to say, a successful conclusion and an unsuccessful conclusion," said Jiang.

The biggest stumbling block remains British demands for guarantees that legislators elected in 1995 be allowed to serve their full four-year terms whatever their political view.

Hum said Britain would work "very positively and very constructively" for a successful conclusion, but stressed "we have rather little time to do this."

Britain on Tuesday warned China of the seriousness of time constraints. British Foreign Secretary Douglas Hurd summoned Chinese Ambassador to London Ma Yuzhen to an emergency meeting and told him progress at last week's 16th round was "disappointing."

Patten has made clear he will eventually have to table an electoral reform bill in the Hong Kong Legislative Council with or without agreement with Beijing.

One influential Hong Kong paper quoted British sources as saying Patten would discuss unilateral action with his cabinet Tuesday if no progress is made here, while other reports in the colony said he may put his own plans before legislators on December 8.

Hum said he believed Hurd had made the situation very clear to Ma. "I think he was in no doubt whatsoever what our position is," he said. But China has played down the significance of the meeting, with a foreign ministry spokesman Thursday describing it as "just natural" and Jiang saying Friday "I think we still have time."

"The Chinese side on their part sincerely hopes to speed the pace of the talks and reach an agreement as soon as possible," said Jiang. "We believe that if the two sides are sincere in the talks, it would not be very difficult ... to reach an understanding."

The Chinese government has warned that should Patten decide to proceed unilaterally, it would dissolve the Legislative Council in 1997.

Government May Table 'Partial' Reform Bill

HK2611064093 Hong Kong SOUTH CHINA MORNING POST in English 26 Nov 93 p 1

[By Fanny Wong]

[Text] The Government might table a partial bill on the 1994/95 electoral arrangements early next month as a last effort to reach an accord with China on Hong Kong's future political system.

It is understood that Britain is considering an option of tabling a bill covering the less contentious issues of lowering the voting age to 18, the method of balloting for all three tiers of government and the abolition of appointed seats in the district boards and the two municipal bodies. When the bill goes before the Legislative Council depends on whether the 17th round of talks between London and Beijing, beginning in Beijing today, bear any fruit. British officials are hoping that the Chinese negotiators will agree to the "straight forward" issues now, leaving the rest until later.

China has warned repeatedly that tabling Governor Chris Patten's package to the legislature would be tantamount to declaring an end to the talks, but British officials consider that the partial bill might act as a gesture that there is still room for the continuation of negotiations.

The earliest date the bill could be presented is December 8.

Until yesterday, Chinese Prime Minister Li Peng had not replied to the message two weeks ago from British Prime Minister John Major that the pace of negotiations should increase. Nor has China responded to Foreign Secretary Douglas Hurd's same message to Chinese ambassador Ma Yuzhen.

Britain is understood to be pessimistic about a positive outcome of the two-day talks because of the lack of response from the Chinese Government. This is despite Britain's chief negotiator, Christopher Hum, saying before he left for Beijing yesterday that he hoped both sides could reach a first-stage agreement.

If no date is announced tomorrow for a future round of talks, Mr Hum and his aides will fly back to Hong Kong on Sunday and will give a full briefing to Mr Patten on Monday. He and the Executive Council will consider the next move on Tuesday.

In Beijing, Foreign Ministry spokesman Fan Huijuan gave no hint that China was willing to compromise on any of the key issues still outstanding in the talks, despite pressure from London.

"Any remarks or actions which are not conducive to the talks are inappropriate...and will be unacceptable to the Chinese side," Ms Fan said.

The Hong Kong China News Agency said in a commentary last night that by making a series of gestures before today's talks, Britain was trying to put the blame on the Chinese side should the session fail.

Official Discusses Voting Method Proposal

HK2411051293 Hong Kong SOUTH CHINA MORNING POST in English 24 Nov 93 p 5

[By Chris Yeung, So Lai-Fun, and Beverly Chau]

[Text] China's insistence on separating talks on the Legislative Council [Legco] voting method from that of elections for district boards and municipal councils was "politically unrealistic," a senior Hong Kong official said yesterday. Michael Sze Cho-Cheung, secretary for constitutional affairs, said it would be irresponsible for the government to accept anything other than a single-seat, single-vote arrangement because that had been endorsed by the Legislative Council and the public well before the governor's political reform proposals were announced.

Speaking after yesterday's Executive Council meeting, Mr Sze said the British side would not offer concessions on the voting method. "The repercussions sparked off by Legco rejecting a proposal other than the single-seat, single-vote arrangement would be even greater than if there was no agreement," he said.

China has criticised Britain for creating new demands by extending the single-seat, single-vote method from lower level polls to the Legco elections, insisting that it had already made a big concession on arrangements relating to district boards and municipal councils.

Senior Chinese official Chen Ziyang said yesterday that a first-stage deal on the district board and municipal council polls would help lay a good basis for negotiations on the more controversial Legco elections. Mr Chen, a deputy director of the State Council's Hong Kong and Macao Affairs Office, said: "We hope to push the talks forward. We can start from the relatively less contentious issues—district boards and the two municipal bodies. "After a deal is reached and a good base has been built, we can further continue the talks phase by phase until a final agreement is made," he said.

Asked why Beijing could agree to the single-seat, single-vote method for the two lower levels of elections but not Legco, Mr Chen said: "I have not touched upon concrete details.... If I did that, isn't that creating a new venue for negotiations? That's not good."

The election method was one of the three so-called less contentious issues on which Britain hoped an early deal would boost the talks which enter their 17th round on Friday. The other two are voting age and appointed seats to the district boards and municipal councils.

Sources said the Chinese side had agreed to the British proposal to lower the voting age from 21 to 18. But Beijing maintained the appointed seats to the lower level bodies should not be totally abolished.

It is understood the Chinese side preferred a small number of appointed seats to be retained but has not made a clear commitment on a specific timetable for their total abolition.

Executive Council member Professor Felice Liehmak, said it would be logical to table the political reform bill to Legco by December if, after all the rounds of talks the less contentious issues, such as the voting method, remained unresolved.

But the United Democrats yesterday urged the Governor, Chris Patten, not to decouple the 1994-95 electoral arrangements, saying they were interrelated.

After meeting Mr Patten yesterday, United Democrat chairman Martin Lee Chuming urged the Governor to put his original political reform package to Legco as soon as possible.

Editorial Views British Right of Abode Offer

*HK2611081993 Hong Kong TA KUNG PAO in Chinese
26 Nov 93 p 2*

[Editorial: "'Right of Abode in Britain' Is Actually Britain's Right To Control"]

[Text] The British Hong Kong authorities said last week that the "first-phase right of abode in Britain offer," which will end on 1 January 1994, still has 4,700 "vacancies" due to an inadequate number of applicants. However, the British side has still announced that the "second phase of the selection offer" will be implemented from 1 January 1994 to 30 June 1997, using this method to continue to plant in Hong Kong "pseudo-British" nationals with concealed identities. As early as 23 July 1990, when the British Parliament passed the "British Nationality (Hong Kong) Act," a Chinese Foreign Ministry spokesman pointed out: This kind of action by the British side violates the relevant memorandum exchanged between the Chinese and British sides, harms China's sovereignty, and is unacceptable to the Chinese Government. The Chinese side maintains the right to take further measures on this at an appropriate time.

In the "first-phase of the right of abode in Britain offer," the British Government issued certificates to a number of Hong Kong residents; the certificate holders can register for a change to full British passports and, before they make such a change, they can use both the British Dependent Territories Citizen [BTDC] and the British National (Overseas) [BN(O)] Passports. The selection of this group of people has been conducted secretly. What is noteworthy is that, when a British Hong Kong official explained the situation regarding the "right of abode in Britain" offer last week, he took the initiative in pointing out: According to Article 2 of Chapter II of the "British Nationality (Hong Kong) Act 1990," the British home secretary may ask those who have applied for the "right of abode in Britain" to change to full British passports within a certain period of time and to surrender their BTDC and BN(O) passports. Concerning this, a member of the Legislative Council pointed out that "there may be something in it." This remark should not be considered as an exaggeration.

In the past, the British side has never mentioned the contents of the abovementioned Article 2 of Chapter II of the British Nationality Act; the impression it gives to people is that the Hong Kong residents who have acquired certificates for the "right of abode in Britain" are allowed to choose when to change to full British passports at their own discretions and to choose whether they will change nationality. At present, as the "first-phase right of abode in

Britain offer" is about to end and the second-phase offer will soon begin, the British Hong Kong authorities specifically stress this article, indicating that the British side can control the change of nationality of this group of people and, so long as it thinks there is such a need, it will cite Article 2 of Chapter II to cause this group of people to change to British citizenship within a short period of time and creating repercussions in Hong Kong society.

China and Britain exchanged a memorandum at the time the Joint Declaration was signed. The Chinese memorandum read: According to the nationality law of the PRC, all Hong Kong Chinese compatriots, whether they hold "BTDC passports" or not, are Chinese citizens. The British side clearly admitted in its memorandum that these "BTDC citizens" "are not conferred the right of abode in the United Kingdom." But the "right of abode in Britain offer" has selected a number of Hong Kong Chinese citizens to secretly change them to British nationality, including the right of abode in Britain. The British side has completely broken the promise it has made. Although the Chinese Government has urged the British side to return to the track of observing obligations and keeping promises as soon as possible, the British side has insisted on its erroneous measures; in fact, its intention is to assign the persons of British nationality to various places and hide them there, set up obstacles to the rule of Hong Kong by Hong Kong people, and attempt to extend its influence as much as possible after 1997.

The Chinese Government's position regarding the British side's "right of abode in Britain" offer, was clearly expressed three years ago and remains unchanged. The British Government took unilateral action in an attempt to change some Hong Kong Chinese citizens into "British citizens" but this will not be recognized by the Chinese side; after 1 July 1997, Britain cannot provide consular protection to these Chinese citizens in the Hong Kong Special Administrative Region [SAR] or other parts of China, and these Chinese citizens will not be able to use "British citizen passports" to enter and leave the Hong Kong SAR or other parts of China. Beijing has also made it clear that the righteous position of the Chinese Government is to oppose the British side's undermining of the smooth transition of Hong Kong and not to aim at individual Hong Kong residents. The Basic Law stipulates that certain public offices in Hong Kong must be taken up by Hong Kong residents who have no right of abode in a foreign country and this is to implement the "rule of Hong Kong by Hong Kong people." Those who have acquired the "right of abode in Britain" can still serve in an absolute majority of public posts and, regarding those public posts which have restrictions, these posts may be taken up by those who give up their "right of abode in Britain."

One more thing to be mentioned here is that, seeing the farce caused by Han Dongfang in his attempt to break through the entry checkpoint recently, some commentators in Hong Kong asked: Since the memorandum between China and Britain says Hong Kong people are Chinese compatriots, and Hong Kong is part of Chinese territory, why cannot a Chinese compatriot go from this part of

China (Hong Kong) to another part of China (the interior)? In fact, what kind of role Han Dongfang is playing has become very clear: His attempt to break through the entry control cannot be linked to the freedom of travel for Hong Kong compatriots. According to the Basic Law, even after 1997, the boundary between Hong Kong and Shenzhen will still have to control the flow of personnel. Not all Chinese citizens can go out and in and move from this part to the other part and this is actually needed by the implementation of "one country, two systems."

Singapore's Lee Addresses Overseas Chinese Forum

BK2511061893 Singapore *THE STRAITS TIMES* in English 23 Nov 93 p 1

[Text] HONGKONG—Ethnic Chinese who come from certain "sensitive" ASEAN countries should take care that their investments in their own countries do not diminish as a result of their China investments, Senior Minister Lee Kuan Yew said here yesterday.

He gave this advice during his keynote speech at the opening of the Second World Chinese Entrepreneurs Convention here.

Warning that increasing investments by overseas Chinese in China could affect race relations in some ASEAN countries, he said that this danger should not be under-rated.

"If relations turn sour between any ASEAN country and China, those ethnic Chinese who have invested in China will be accused of disloyalty," he said.

He pointed to the reaction of some indigenous media to such investments. Indonesia's Merdeka on July 1 dwelled on the "capital flight" possibly rising to a level that could undermine development of the Indonesian economy.

Other local press had questioned the loyalty of the ethnic Chinese, who were seen investing capital in their "home villages" in China when their own countries from which they had derived their wealth needed this capital.

Addressing nearly 1,000 international delegates, all prominent ethnic Chinese entrepreneurs, Mr Lee cited a study by Professor Robert A. Scalapino of the Berkeley Institute of East Asian Studies. The race issue could be rendered quiescent by skilful state policies and general economic advances, but it never disappeared, according to Dr Scalapino.

Expanding on this, Mr Lee said that some ethnic Chinese in ASEAN had "revived" their ancestral links with their native villages by some act of benevolence, such as building a school hospital or university.

"Such acts establish good guanxi, which means favourable terms for investments. But when South-east Asian people's anti-China feelings are redirected at ethnic Chinese in their midst, they will ignore the simple fact that capital has always flowed towards those places offering the highest returns," he said.

He suggested that ethnic Chinese who come from such "sensitive" countries "take care that their investments in their own countries do not diminish as the result of their China investments".

"They would also do well to use the same guanxi to increase China's trade with and investments in their home countries. This is possible, and indeed probable within the next 10 years."

Mr Lee, who was invited to give his address by prominent Hongkong tycoon Henry Fok, chairman of the Hongkong Chinese General Chamber of Commerce, also noted that China could benefit from such business ties.

China could maximise returns on its technology and capital by using its links with ethnic Chinese in South-east Asia to invest in Indonesia, Malaysia and Thailand, where energy resources such as gas and oil are abundant and labour costs are low.

He cited the M\$200 million (S\$126 million) steel rolling plant at the Gebeng industrial estate near Kuantan, which is a joint project between Malaysia and Shandong Province.

"More such joint ventures in ASEAN will offset the impression that the flow of investments is one way," he said.

Mr Lee, in a message to convention organisers, said that the timing of the gathering was excellent.

China will grow fast in the next 10 to 20 years, while Hongkong and Taiwan are thriving. The meeting would help Chinese entrepreneurs compare notes and explore opportunities while widening their networking, he said.

The three-day convention, a biennial meeting first held in Singapore in 1991 gathers prominent businessmen and industrialists from the Chinese diaspora dispersed in 160 countries.

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